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10 UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA, WESTERN DIVISION

11 REACHLOCAL, INC.,
12
13 Plaintiff,

14 vs.

15 PPC CLAIMS LIMITED AND
16 KIERAN PAUL CASSIDY,
17 Defendants

Case No. 2:16-cv-1007-R-AJW

Judge: Hon. Manuel L. Real

**ERIK S. SYVERSON'S
DECLARATION IS SUPPORT OF
DEFENDANTS PPC CLAIMS
LIMITED AND KIERAN PAUL
CASSIDY'S REPLY IN SUPPORT
OF THEIR MOTION FOR
SUMMARY JUDGMENT**

1 I Erik S. Syverson declare under penalty of perjury as follows:

- 2 1. I am an attorney at law duly licensed to practice law in this Court. I am a
3 partner at Raines Feldman LLP, counsel for Defendants in this matter. I have
4 personal knowledge of the contents stated herein. If called as a witness I
5 could and would testify truthful to the contents herein.
- 6 2. Attached as Exhibit 1 is a true and correct copy of the transcript of the
7 September 12, 2016, deposition of Rick Hutton in this matter.
- 8 3. Attached as Exhibit 2 is a true and correct copy of the transcript of the
9 September 12, 2016, deposition of Adriana Hutton in this matter.
- 10 4. Attached as Exhibit 3 is a true and correct copy of excerpts from the August
11 2, 2016, deposition of Sharon Rowlands in this matter.

12 I swear the foregoing is true and correct under the laws of the United States
13 and that this declaration was executed in Beverly Hills, California.

14
15 Dated: September 19, 2016

/s/ Erik S. Syverson

ERIK S. SYVERSON

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Exhibit 1

RICK HUTTON
REACHLOCAL vs. PPC CLAIM LIMITED

September 12, 2016

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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

REACHLOCAL, INC.,)
Plaintiff,)
vs.) Civil Action No.
PPC CLAIM LIMITED,) 2:16-cv-01007-R
et al.,)
Defendant.)

ORAL AND VIDEOTAPED DEPOSITION OF

RICK HUTTON

SEPTEMBER 12, 2016

ORAL AND VIDEOTAPED DEPOSITION OF RICK HUTTON,
produced as a witness at the instance of the Plaintiff,
and duly sworn, was taken in the above-styled and
numbered cause on the 12th day of September, 2016, from
11:19 a.m. to 12:53 p.m., before Julie C. Brandt, RMR,
CRR, and CSR in and for the State of Texas, reported by
machine shorthand, at the offices of Gray Reed & McGraw,
P.C., 1601 Elm Street, Suite 4600, Dallas, Texas,
pursuant to the Federal Rules of Civil Procedure and the
provisions stated on the record or attached hereto.

RICK HUTTON
REACHLOCAL vs. PPC CLAIM LIMITED

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A P P E A R A N C E S

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P R O C E E D I N G S

THE VIDEOGRAPHER: We are now on the record for the video deposition of Rick Hutton. The time is 11:21 on September 12, 2016. This is the matter of ReachLocal, Incorporated versus PPC Claim Limited, et al. being held in the United States District Court for the Central District of California, Civil Action No. 2:16-CV-01007-R.

Counsel, will you please introduce yourselves for the record.

MR. KHAN: Good morning. My name is Amjad Khan. I'm representing ReachLocal, which is a Plaintiff in this action.

MR. SYVERSON: Erik Syverson from the firms of Raines Feldman for the Defendants.

MR. BROOKNER: Jason Brookner from Gray Reed & McGraw on behalf of the witness.

THE VIDEOGRAPHER: Will the court reporter please administer the oath.

RICK HUTTON,
having been first duly sworn, testified as follows:

EXAMINATION

BY MR. KHAN:

Q. Good morning, Mr. Hutton.

A. Good morning.



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1 Q. Why don't we begin by telling us where you
2 work.

3 A. At Projection Technologies InLight Gobos.

4 Q. For purposes of the deposition, is it okay to
5 use InLight as the shorthand?

6 A. Yes.

7 Q. And what is the nature of the company? What
8 does it do?

9 A. We manufacture products for the entertainment
10 lighting industry.

11 Q. Okay. And for how long have you worked in
12 this company?

13 A. 14 years.

14 Q. Are you the founder of the company?

15 A. Yes.

16 Q. Prior to working at InLight, where did you
17 work?

18 A. Varilight.

19 Q. Okay. Is the company based here in Dallas?

20 A. Yes.

21 Q. Does it have any other offices?

22 A. No.

23 Q. Mr. Hutton, have you ever been deposed before?

24 A. No.

25 Q. So this will be a short deposition, but I



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1 would like to go over a few ground rules. I have five
2 ground rules.

3 The first is just try to avoid speaking over
4 me or any of the other lawyers, Mr. Syverson is on the
5 phone and your own lawyer. That's only because the
6 court reporter is trying to record one thing at a time,
7 and so we'll try to stick to this flow, although I'm
8 sure I'll be guilty of violating it myself. I'll ask a
9 question, your lawyer will have a chance to object, and
10 then you can provide your answer.

11 And for my part, I'll try not to cut you off
12 and let you finish your answers. I may not always
13 succeed.

14 And if you can let me finish the question
15 before you answer, that would also help for a cleaner
16 transcript. It's a little bit of a stilted process,
17 these depositions. So that's sort of the first ground
18 rule. Is that okay?

19 A. Yes.

20 Q. The second is -- again, you're already off to
21 a good start. Please keep your answers as audible,
22 yeses or nos or explanations, but not nodding because
23 that's not going to be captured on the actual
24 transcript. Is that okay?

25 A. Yes.



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1 Q. And I'm entitled to your best testimony today,
2 and that testimony may include best estimates of dates
3 or approximations of dates or other such information.
4 There's a difference between an estimate and a guess.
5 The example that I frequently use, one that I think your
6 counsel objects to but I'll say again, is that if I were
7 to ask you how much money you have in your pocket right
8 now, while you may not know the exact number, you may be
9 able to estimate roughly how much you had in your
10 pocket. That's because you probably put the money in
11 your pocket yourself. You have a good idea about how
12 much money you took out of the bank and how much you
13 spent, and there's some amount of money left in your
14 pocket. So that's an estimate. But if I were to ask
15 you how much money I have in my pocket, you really
16 wouldn't have any basis to answer that. It would be a
17 wild guess because you haven't seen the contents of my
18 wallet. You have no point of reference to answer that.
19 So that's, in my mind, a -- perhaps a rough distinction
20 or a crude distinction between a pure guess and a
21 reasonable approximation. Do you understand that?

22 A. Yes.

23 MR. BROOKNER: Objection to that
24 instruction.

25 Q. (BY MR. KHAN) So I don't want wild guesses.



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1 I prefer best estimates. We won't be here for very
2 long, as I mentioned. You can take a break, though,
3 anytime you like. Just let me know. If there's a
4 question pending, just answer it before you do.

5 And it's my job to answer -- to ask questions
6 that you can understand, and sometimes I'm not going to
7 succeed with that. I'm sure your counsel will remind me
8 of that. But if you don't understand something, just
9 ask me to rephrase it.

10 I have to ask this question. Are you under
11 the influence of any medications that could affect your
12 testimony today?

13 A. No.

14 Q. Okay. So I want to begin by having the court
15 reporter mark this document as Exhibit 14.

16 (Exhibit 14 marked.)

17 Q. (BY MR. KHAN) And take a moment, Mr. Hutton,
18 to review that. This is a copy of the subpoena that was
19 issued to you. Is that accurate?

20 A. Yes.

21 Q. Have you reviewed this document?

22 A. Yes.

23 Q. Included among these pages is an Attachment A,
24 which sets forth certain document requests for documents
25 that were supposed to be produced today. Do you see

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1 that?

2 A. Yes.

3 Q. And you reviewed the 12 requests that are
4 mentioned on page 4 of the subpoena?

5 A. Yes.

6 Q. Have you produced all documents --

7 A. Yes.

8 Q. -- responsive to this?

9 MR. BROOKNER: Rick, just let him finish
10 his question before you answer. Okay?

11 Q. (BY MR. KHAN) What steps did you take to
12 search for the documents?

13 A. Are you done with your question?

14 Q. Yes.

15 A. Okay. I looked through all e-mails that were
16 corresponding to this, and that was all I had.

17 Q. Okay. When you say "this," I just want to be
18 clear on what you mean. You mean this, meaning the
19 requests 1 through 12?

20 A. Yes.

21 Q. Okay. So to be clear, you searched for
22 communications between yourself and Mr. Cassidy?

23 A. There are no communications between myself and
24 Mr. Cassidy.

25 Q. Okay. And you did the same with respect to

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1 PPC Claim?

2 A. Yes.

3 Q. And all other documents related to him?

4 A. Yes.

5 Q. Correct?

6 Did you speak to anyone else in conducting
7 this search?

8 A. Adriana.

9 Q. Okay. And Adriana Hutton is -- works for
10 InLight?

11 A. Yes, she does.

12 Q. What's her position there?

13 A. VP of operations.

14 Q. Okay. And she's been working at the company
15 alongside you?

16 A. Yes.

17 Q. She's also your spouse. Correct?

18 A. Correct.

19 Q. Apart from searching for documents, what did
20 you do to prepare for today's deposition?

21 A. Provided the documents that were asked.

22 Q. Okay. Did you speak to your lawyer in advance
23 of today's deposition?

24 A. Yes.

25 Q. Did you speak via phone or in person?



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1 A. Both.

2 Q. Okay. How many times did you speak to your
3 lawyer?

4 A. I would have to guess on that. I don't have
5 an exact number.

6 Q. Do you know approximately how long you spoke
7 to him in preparation of this -- for this deposition?

8 A. I'd say 20 minutes.

9 Q. Okay. Did you speak to anyone else other than
10 your lawyer?

11 A. No.

12 Q. Okay. Did you speak to Ms. Hutton, Adriana?

13 A. Yes.

14 Q. And did you speak about the document requests
15 or did you speak about something beyond just the
16 document requests?

17 A. We spoke of the document requests.

18 Q. Okay. Did you discuss your declaration that
19 was provided in this matter?

20 A. Yes.

21 Q. Okay. Did you speak to Mr. Syverson prior to
22 this deposition today?

23 A. Yes.

24 Q. When was that?

25 A. I don't have an exact date. I would say about

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1 two months ago.

2 Q. Did Mr. Syverson call you?

3 A. Yes.

4 Q. How did Mr. Syverson identify himself in that
5 call?

6 A. To the best of my recollection, that he was an
7 attorney on behalf of the Cassidy lawsuit which I was
8 not real familiar with.

9 Q. Okay. When you say on behalf of the Cassidy
10 lawsuit, do you mean he was an attorney representing
11 Mr. Cassidy or do you mean that he just said he was
12 calling on the Cassidy matter?

13 A. I do not recall.

14 Q. Okay. Did he say he was representing any
15 party?

16 A. I do not recall.

17 Q. Did he say he was representing ReachLocal?

18 A. No.

19 Q. Okay. Did he say he was representing PPC
20 Claim?

21 A. No.

22 Q. Okay. And how long did you speak to him on
23 that call?

24 A. Best of my recollection, maybe ten minutes.

25 Q. Okay. What was discussed, as far as you

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1 remember, on that call?

2 A. That he was representing Cassidy and wanted to
3 know what I knew about it.

4 Q. What you knew about the lawsuit?

5 A. Uh-huh.

6 Q. Okay. And did you know anything about the
7 lawsuit at that time?

8 A. No.

9 Q. Okay. Did you know who Mr. Cassidy was at
10 that time?

11 A. Just from the FaceBook post that we got.

12 Q. Okay. What did you know about him at that
13 point in time?

14 A. Just what I read and what he sent.

15 Q. What did you read?

16 A. The FaceBook posting that was sent to us.

17 Q. Do you recall what was the content of that
18 FaceBook posting?

19 A. Something to the regards of ReachLocal was
20 ripping people off in Europe and they sued them and
21 we're suing them here.

22 Q. Okay. We're suing them here. What did you
23 mean by that? You understood that Mr. Cassidy was suing
24 them here?

25 A. Here in the US.

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1 Q. Okay. So you understood from the FaceBook
2 post that he was suing ReachLocal in the United States?

3 A. Uh-huh.

4 Q. Okay. Did you understand that there was a
5 pending lawsuit by Cassidy against ReachLocal?

6 A. Just from what I read in that posting.

7 Q. Okay. Okay. And did you speak to Mr. Cassidy
8 at any point in time --

9 A. No.

10 Q. -- over the phone?

11 So back to the ten minute call. You spoke
12 about what you knew of Mr. -- what you knew of the
13 lawsuit between ReachLocal and Cassidy. Is that right?
14 Or he asked you if you knew about the lawsuit?

15 A. He asked me if I knew about it, and I didn't
16 know much about it.

17 Q. Okay. What else was discussed on the call?

18 A. He asked if I would sign a declaration, and I
19 said I would. He said he would e-mail it to me.

20 Q. Now as far as this declaration is concerned,
21 did you know what a declaration was?

22 A. Yeah.

23 Q. What's a declaration?

24 A. It's your version of what's happening in a
25 legal matter.



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1 Q. Okay. And he asked you to sign this
2 declaration for what purpose?

3 A. To -- he asked me to sign the declaration to
4 clarify my understanding of what the lawsuit was.

5 Q. Okay. So the purpose of the declaration, as
6 far as you understood, was to clarify what you knew
7 about the lawsuit?

8 A. Uh-huh.

9 Q. Any other purpose, as far as you understood
10 it, of what the declaration was supposed to be?

11 A. Not that I understood.

12 Q. Did you understand that what you were going to
13 say in the declaration would be sworn under penalty of
14 perjury?

15 A. Yes.

16 Q. Did you understand that what you included in
17 the declaration has to be the truth?

18 A. Yes.

19 Q. Did you understand that it would have force
20 and effect --

21 A. Yes.

22 Q. -- in a Court?

23 A. (Witness nods head.)

24 Q. Did -- did you discuss with Mr. Syverson
25 whether or not Mr. Cassidy had -- had caused InLight to

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1 stop using ReachLocal products?

2 A. No.

3 Q. Okay. So what did you discuss in terms of --
4 we're going to get to your declaration, Mr. Hutton,
5 shortly. But what did you discuss, I'm talking broadly
6 speaking, about what you would say in the declaration?

7 A. I told him that we had nothing to do with the
8 Cassidy lawsuit and didn't want anything to do with it.

9 Q. Okay. So you told Mr. Syverson you had
10 nothing to do with Cassidy and didn't want anything to
11 do with it and that's why you signed the declaration?

12 A. No.

13 Q. Okay. Then why did you sign the declaration?

14 A. He asked me if I would sign a declaration,
15 which I said I would. He said he would e-mail it down
16 to me. Two weeks went by, nothing. He called, asked me
17 if I had seen it. And I said you were going to e-mail
18 me something to show to my attorney and I have not
19 received anything.

20 Q. Okay. So at that point you hadn't gotten
21 anything from him?

22 A. No.

23 Q. Okay. He said he would draft a declaration.
24 Did he tell you what he was going to draft?

25 A. No.

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1 Q. You understood when he was going to draft this
2 that -- what was going to be drafted was that basically
3 telling your story, that you had nothing to do with the
4 Cassidy lawsuit?

5 A. I don't know what he was going to draft.

6 Q. Okay. So at the point in time you didn't know
7 what he was going to draft?

8 A. No.

9 Q. But you were willing to look at it?

10 A. I told him I would be willing to have my
11 attorney look at it.

12 Q. Okay. You were represented at the time by
13 Mr. Brookner?

14 A. Yes.

15 Q. You are represented by Mr. Brookner?

16 A. Yes.

17 Q. Okay. When I say "you," are you personally or
18 is InLight Gobos the company represented by
19 Mr. Brookner?

20 A. In this matter, it would be InLight Gobos.

21 Q. Okay. How long have you had -- have you been
22 represented by Mr. Brookner?

23 MR. BROOKNER: You know, I'm going to
24 object to any inquiry regarding my relationship with
25 InLight Gobos or Mr. Hutton in regards to the

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1 attorney/client privilege, and I will direct you not to
2 answer any such questions unless I say otherwise.

3 Q. (BY MR. KHAN) Did he say that he -- did
4 Mr. Brookner say he would represent you in connection
5 with this matter?

6 MR. BROOKNER: Objection. And I direct
7 you not to answer the question.

8 You're treading on the attorney/client
9 relationship. I'm going to ask you to stop.

10 MR. KHAN: I'm just asking whether -- I'm
11 not asking about the communication, Mr. Brookner.

12 MR. BROOKNER: Any communication I have
13 with Mr. Hutton is privileged.

14 MR. KHAN: That's not what I'm asking.

15 MR. BROOKNER: You can ask -- and I'm
16 going to direct you not to answer.

17 Q. (BY MR. KHAN) The question I'm asking is did
18 Mr. Brookner say he would represent you for this
19 proceeding? Not the substance of the communication.

20 MR. BROOKNER: Objection. What I say to
21 my client about all representation is privileged, no
22 matter when I say it or where I say it.

23 And I'm going to direct you not to answer the
24 question.

25 Q. (BY MR. KHAN) Is Mr. Brookner representing

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1 you in this deposition?

2 MR. KHAN: Is that privileged?

3 MR. BROOKNER: You can answer that.

4 A. Yes.

5 MR. BROOKNER: I represent both Rick and
6 Adriana individually and InLight Gobos. Anything other
7 than that is privileged. And you can ask, and you will
8 be directed not to answer.

9 MR. KHAN: That's all I was asking. I
10 just wanted to know if you're representing him in this
11 action. That's it.

12 A. (Witness nods head.)

13 Q. (BY MR. KHAN) Okay. Is that a "yes,"
14 Mr. Hutton?

15 MR. BROOKNER: You can answer that one.

16 A. Yes.

17 Q. (BY MR. KHAN) Okay. So back to the
18 communication with Mr. Syverson. It sounds like you had
19 a communication where at the end of that communication
20 you had agreed to review a declaration that he would
21 draft.

22 A. Yes.

23 Q. Is that right?

24 A. Yes.

25 Q. And he said he would get that to you, and you

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1 never received it in a few weeks. Correct?

2 A. Correct.

3 Q. Did you ever receive it?

4 A. Yes.

5 Q. When did you receive that?

6 A. I don't have the exact date. It would be in
7 the e-mails that you have.

8 Q. Okay. And when you received that declaration,
9 did you review it?

10 A. Yes.

11 Q. And did you agree with what was written in
12 there?

13 A. No.

14 Q. Okay. Who -- to whom did you communicate that
15 you disagreed with what was written in there?

16 A. Jason.

17 Q. Okay. So your communications with
18 Mr. Syverson were through your lawyer?

19 A. Uh-huh.

20 Q. Okay. You never communicated at that point
21 directly with Mr. Syverson?

22 A. No.

23 Q. Okay. What specifically did you disagree
24 with, if you remember?

25 A. I don't remember.

1 Q. Okay. We'll get to it. I'll need to refresh
2 your recollection later.

3 Does InLight Gobos have a social media
4 presence?

5 A. Yes.

6 Q. Okay. What is that presence, as far as you
7 understand?

8 A. We have a website. We have a FaceBook page.

9 Q. Okay. Do you have a Twitter page?

10 A. I believe so.

11 Q. Okay. Do you use social media regularly as
12 part of your business?

13 A. No.

14 Q. Okay. You just have a FaceBook page for your
15 business generally?

16 A. Correct.

17 Q. You don't use it as a means to communicate
18 with your customers?

19 A. No.

20 Q. Has that ever happened before? Have customers
21 used FaceBook to communicate with InLight?

22 A. I can't answer that. I don't know. I don't
23 deal with the FaceBook page.

24 Q. Okay. Who deals with the FaceBook page?

25 A. Adriana.

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1 Q. How about Twitter? Have customers ever
2 interacted with InLight by Twitter?

3 A. I can't answer that.

4 Q. Okay. Do you have any understanding or
5 involvement with InLight Gobos's FaceBook page, its
6 operations, what's on there, the content, anything?

7 A. I have understanding of it. I'm not the one
8 who monitors it.

9 Q. Okay. So you don't monitor the FaceBook page?

10 A. No.

11 Q. Do you develop the content on that page?

12 A. No.

13 Q. I want to talk a little bit about your
14 relationship with Compass Point. First off, what is
15 Compass Point?

16 A. A marketing firm.

17 Q. Okay. And how did -- what does Compass Point
18 do, as best as you understand?

19 A. They build websites and do SCO.

20 Q. When did you first learn of this company?

21 A. They're two doors down from me. I don't know.
22 Five, six years ago.

23 Q. Okay. So you had interaction socially at
24 least with Compass Point?

25 A. Yes.

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1 Q. For five to six years?

2 A. Uh-huh.

3 Q. Is that correct?

4 A. Yes.

5 Q. Who at Compass Point would you interact with?

6 A. Matt.

7 Q. Okay. By Matt, you mean Mr. Ramsey?

8 A. Yes.

9 Q. Okay. Anyone else?

10 A. Not business wise, no.

11 Q. Okay. And so it's safe to say you've known
12 Mr. Ramsey for at least six years?

13 A. Uh-huh.

14 Q. How long have you worked with him
15 professionally, if at all?

16 A. I think he's been doing our SCO for three
17 years, four years.

18 Q. What do you mean by SCO?

19 A. Helping us get better placement on our
20 website.

21 Q. Okay. So you hired him?

22 A. Yes.

23 Q. And, again, when was that?

24 A. Three or four years ago.

25 Q. Three or four years ago. And did you have a

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1 contract with Compass Point?

2 A. No.

3 Q. So you hired him without a contract?

4 A. Yes.

5 Q. Okay. Did you have any written understanding
6 over e-mail or any document that captured your
7 relationship with Compass Point?

8 A. No.

9 Q. Okay. Did you have an oral understanding that
10 they were your --

11 A. Yes.

12 Q. -- that you had hired them?

13 Okay. Have you been working with Compass
14 Point for approximately three or four years?

15 A. Correct.

16 Q. And during that time, they have managed your
17 online presence?

18 A. Correct.

19 Q. And do you know approximately how much you
20 spent a month with Mr. Ramsey and Compass Point?

21 A. Nothing now.

22 Q. Nothing now. I'm just saying when you were in
23 business with them?

24 A. About \$1,000 a month.

25 Q. Okay. And what would that \$1,000 cover?

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1 A. The \$1,000 was the money spent with
2 ReachLocal.

3 Q. Okay.

4 A. And then we were also charged \$82 a month from
5 Compass Point to give us results.

6 Q. So you paid Mr. Ramsey, Compass \$82 a month
7 over the course of three years to get results, and the
8 rest of the money was spent on ReachLocal?

9 A. Correct.

10 Q. And when you say spent on ReachLocal, what do
11 you mean by that?

12 A. Our credit card was charged \$1,000 a month.

13 Q. Okay. No, I don't mean technically. I mean,
14 what did you spend with ReachLocal on? What was that
15 money spent on for ReachLocal?

16 A. That was supposed to be to raise our internet
17 presence.

18 Q. Okay. So you understood that Compass Point
19 was working with ReachLocal to use ReachLocal products
20 to help your business?

21 A. They hired ReachLocal, correct.

22 Q. So Compass Point hired ReachLocal. Okay.
23 Prior to Compass Point hiring ReachLocal, had you ever
24 heard of them?

25 A. No.

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1 Q. Okay. Have you -- do you know anyone at
2 ReachLocal?

3 A. No.

4 Q. Have you ever interacted with anyone at
5 ReachLocal?

6 A. No.

7 Q. Do you know if ReachLocal has any -- any
8 people who manage your account there?

9 A. No idea.

10 Q. From your vantage point, Compass Point is the
11 contracting party, the party that you're doing business
12 with?

13 A. Absolutely.

14 Q. Okay. So you agree that the money ReachLocal
15 spends is being processed by Compass Point because
16 Compass Point is who you're doing business with?

17 A. No.

18 MR. BROOKNER: Objection. Objection to
19 the form, but you can answer if you understand the
20 question.

21 THE WITNESS: I understand the question.

22 A. No, Compass Point charged our credit card --
23 excuse me -- charged our credit card for the \$84 a
24 month. ReachLocal charged our credit card for the
25 \$1,000 a month.

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1 Q. (BY MR. KHAN) And you as the owner of InLight
2 consented to ReachLocal charging your card?

3 A. Yes.

4 Q. Okay. And Mr. Ramsey, as part of his services
5 to you, said he could help with your online presence by
6 using ReachLocal. Correct?

7 A. Yes.

8 Q. And so the money that you're spending, which I
9 guess is the vast majority that you spend directly on
10 ReachLocal, it's your understanding you do so because
11 Mr. Ramsey told you to?

12 A. Not because he told me to, no.

13 Q. Okay. Why?

14 A. We did that in agreement of trying to raise
15 our internet presence.

16 Q. Right. And so what I mean is he told you that
17 the way to raise the internet presence is to use
18 ReachLocal?

19 A. He suggested that, yes.

20 Q. Okay. So during the course of these three
21 years, approximately you spent about \$12,000 a year?

22 A. Approximately.

23 Q. So you've spent roughly \$36,000 -- you
24 spent -- I understand that you no longer do business
25 with Mr. Ramsey, but you spent roughly \$36,000 with

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1 ReachLocal?

2 A. Correct.

3 Q. Okay. When the relationship started with
4 Compass Point and they were providing these services and
5 you were spending on ReachLocal, were you satisfied with
6 the return that Compass Point was providing you?

7 A. No.

8 Q. Okay. At what point -- was that always the
9 case? You had a relationship for three years. At what
10 point, if you recall, did you feel that you were not
11 satisfied?

12 A. About a year into it.

13 Q. Okay. So if I'm doing the math, you had a
14 contract somewhere around 2013?

15 A. We have no contract.

16 Q. Well, you have an understanding and you hired
17 Compass Point in 2013. Is that correct, Mr. Hutton?

18 A. To the best of my recollection.

19 Q. Okay. So in 2013, you engaged without a
20 contract, but you engaged Matt Ramsey for services for
21 online presence. Right?

22 A. Correct.

23 Q. And in 2013 to 2014, were you satisfied with
24 the services that you were being offered?

25 A. I can't say whether I was satisfied or not.

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1 Q. Well, you continued to pay money every month.
2 Is that correct?

3 A. We continued to pay money.

4 Q. And I assume you paid money every month
5 because you were getting some return. Is that correct?

6 A. Yes.

7 Q. Okay. So is it fair to say, again, that you
8 were satisfied with what ReachLocal was -- ReachLocal --
9 rather, Compass Point was providing to you during the
10 first year of your relationship with them?

11 A. The first year, yes.

12 Q. Okay. So now let's talk about the second
13 year, which I guess would be 2014 to 2015. During that
14 time were you satisfied with the return on services that
15 Compass Point was providing?

16 A. No.

17 Q. And explain why not.

18 A. Because we did not seem to be getting as much
19 ranking as we were looking to get for the amount of
20 money we were spending.

21 Q. Okay. And during this time did you
22 communicate those concerns to Mr. Ramsey?

23 A. Yes.

24 Q. How frequently?

25 A. I couldn't answer that.



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1 Q. Okay. But at some point you did tell him that
2 you're not liking your return on the services. Is that
3 right?

4 A. Yes.

5 Q. Okay. That was some point between 2014 and
6 2015?

7 A. (Witness nods head.)

8 Q. How would Mr. Ramsey respond to those
9 concerns? What would he do? Would he meet you to
10 discuss them?

11 A. Not necessarily. He's two doors down from us.

12 Q. Yes.

13 A. So we have verbal communications without phone
14 calls, without e-mails.

15 Q. Sure. Sure. How frequently do you guys meet?

16 A. I talk to him at least once a week.

17 Q. Okay. Once a week. So during the course of
18 those three years, you spoke to him about once a week?

19 A. Not on business, but I speak with him.

20 Q. Yeah, I just mean generally.

21 A. Yes.

22 Q. Okay. Okay. And how about on business with
23 respect to actual services Compass Point's offering, how
24 frequently did you communicate with him?

25 A. Infrequently.

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1 Q. Infrequently meaning once a month?

2 A. Sure.

3 Q. Okay. So maybe around once a month. Was it
4 more than once a month?

5 A. I don't think so.

6 Q. Okay. During the second year, 2014 to 2015,
7 when you felt like there were concerns, at that point in
8 time did you want to stop using Compass Point's
9 services?

10 A. We had discussed stopping using Reach.

11 Q. Stop using ReachLocal. Okay. When did you
12 discuss stop using ReachLocal?

13 A. With Matt or --

14 Q. Yeah, with Matt.

15 A. I don't know. Probably November last year,
16 something like that.

17 Q. Okay. November 2015. And why did you discuss
18 with him to stop using ReachLocal?

19 A. Because we weren't receiving the uplift in
20 presence that we were expecting.

21 Q. Okay. So you still wanted to continue working
22 with Matt, but you wanted him to stop using ReachLocal.
23 Is that right?

24 A. Yes.

25 Q. Okay. Have you ever heard of Kieran Cassidy?

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1 A. Just through the FaceBook post.

2 Q. Okay. And have you ever heard of a company
3 called PPC Claim?

4 A. Just from what we've received on this stuff.

5 Q. So meaning the FaceBook messages and the
6 communications that Ms. Hutton received?

7 A. Correct.

8 Q. Okay. And you reviewed those communications?
9 She shared those with you?

10 A. Correct.

11 Q. Okay. Do you know what PPC Claim is --

12 A. I do not.

13 Q. -- as you sit here today?

14 A. (Witness shakes head.)

15 Q. Okay. Do you know what Mr. Cassidy does?

16 A. I do not.

17 Q. I would like to show you a document that has
18 been previously marked by the court reporter as
19 Exhibit 10. Take a moment to look at that.

20 A. Okay.

21 Q. It's a few pages of documents. Have you seen
22 this document before?

23 A. I have seen this document.

24 Q. And by this, you're referring to
25 Mr. Cassidy's --

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1 A. FaceBook post --

2 Q. -- FaceBook message? Okay.

3 A. -- on our FaceBook page.

4 Q. Have you seen the e-mail before, Mr. Hutton,
5 that --

6 A. This e-mail?

7 Q. -- Adriana sent to Matt Ramsey dated
8 March 2nd?

9 A. Yes.

10 Q. Okay. When did you first see that e-mail?

11 A. Probably -- I don't know -- three weeks ago.

12 Q. Okay. So was this e-mail ever forwarded by
13 Ms. Hutton to you at the time it was sent?

14 A. No.

15 Q. Did she ever tell you about it?

16 A. Yes.

17 Q. Okay. What did she tell you about it?

18 A. I had seen this FaceBook posting, and I said
19 forward it to Matt so he can see it.

20 Q. Okay. So when you're saying you saw this
21 FaceBook posting, did Ms. Hutton show you the actual
22 FaceBook post?

23 A. Yes.

24 Q. Okay. Because you don't check it directly
25 yourself. Right?

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1 A. No.

2 Q. So she raised it to your attention. Right?

3 A. Uh-huh.

4 Q. And what did she say when she brought it to
5 your attention?

6 A. I don't recall.

7 Q. But she told you that this was a communication
8 she received on FaceBook?

9 A. Yeah.

10 Q. And was --

11 A. Here, have a look at this.

12 Q. -- she surprised by it?

13 A. No.

14 Q. Okay. So why did she show it to you?

15 A. Because I'm the president of the company.

16 Q. Okay. And what was she trying to impart to
17 you? Why did she show it to you? What did she want to
18 tell you about it?

19 MR. BROOKNER: Objection to the extent it
20 calls for you to speculate on what Adriana may or may
21 not have been thinking, but if you know or think you
22 know, then you can answer the question.

23 A. She brought it to my attention because we
24 communicate on pretty much everything.

25 Q. (BY MR. KHAN) Okay. I understand that. But

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1 with respect to the -- when you actually saw the
2 FaceBook messages, how did you react?

3 A. I reacted by saying why don't you forward this
4 to Matt so he can see it.

5 Q. Okay. Did you read and review the messages
6 themselves?

7 A. Yes, I saw the message.

8 Q. Okay. Okay. So turning to the message
9 itself, Mr. Hutton. So first looking at the e-mail, it
10 was the e-mail dated Wednesday, March 2nd; and if you
11 read the e-mail it says, I received the attached
12 message yesterday. So from your understanding, is this
13 message -- was this message received by Adriana on
14 March 1st?

15 A. I don't know.

16 Q. Well, I'm asking you to review, Mr. Hutton,
17 the actual document.

18 A. Well, I do not see a date on here.

19 Q. Well, if you turn to the first page, if you
20 could.

21 A. Uh-huh.

22 Q. And do you see a date now?

23 A. Yes. It's March 2nd.

24 Q. Okay. And can you read the message where it
25 says I received the attached message yesterday?

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1 A. (Witness nods head.)

2 Q. So is it safe to assume that the message
3 that's being attached is this FaceBook message?

4 A. I assume so.

5 Q. And that would have been received March 1st.
6 Correct?

7 A. I assume so.

8 Q. Okay. Do you remember reading the full
9 contents of the message?

10 A. Yes.

11 Q. Okay. And it says -- first I have to ask. Is
12 it common for customers -- first customers to contact
13 InLight through FaceBook?

14 A. No.

15 Q. Is it common for anyone to contact InLight
16 through FaceBook?

17 A. I can't answer that. I don't deal with
18 FaceBook.

19 Q. Okay. So is it fair to say that this
20 communication struck you as unusual?

21 A. No.

22 Q. Okay. This message here that's written, have
23 you read this message?

24 A. Yes.

25 Q. Okay. And it says, I noticed you're using

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1 ReachLocal for your marketing. Did you hear about what
2 they did to all the UK businesses? Do you know they
3 keep most of your money instead of spending it on
4 AdWords? Do you recall reading that at the time --

5 A. Yes.

6 Q. -- or at least having Adriana convey that
7 information to you?

8 A. Yes.

9 Q. And what did you understand that statement to
10 mean or those statements to mean?

11 A. I don't take anything that people say -- I
12 don't understand what you're getting at.

13 Q. My question is I just wanted -- it's not a
14 trick question. I'm just asking what did you understand
15 this message to be saying?

16 A. Exactly what it says in black and white.

17 Q. Okay. So you understood that this individual,
18 Mr. Cassidy, is saying that ReachLocal keeps most of its
19 money. Correct, Mr. Hutton?

20 MR. BROOKNER: Objection to the -- I
21 mean, Rick did not see this until Adriana gave it to him
22 and again today. So to the extent, Rick, that you have
23 an understanding from reading this, you know, then and
24 now, then you can answer.

25 MR. KHAN: Mr. Mr. Hutton has testified

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1 that he actually read this message on the day of.

2 Q. (BY MR. KHAN) Is that -- am I inaccurate?

3 A. No.

4 Q. Okay. So you did. So you have an
5 understanding at that time then. That's what I want to
6 know. At the time you read this message, what did you
7 understand it to mean?

8 A. I understood that someone was saying that the
9 company we were using was spending most of our money on
10 something else.

11 Q. Okay. So the company that you were using is
12 ReachLocal. Correct?

13 A. Was.

14 Q. Was, right. And you understood that a company
15 that you had been working with at this point in time for
16 almost three years was keeping most of its money.
17 Correct?

18 A. Speculation.

19 Q. Right. So you understood -- well, I want to
20 understand what you mean by that. What do you mean by
21 speculation?

22 A. I see no proof here other than something that
23 somebody wrote.

24 Q. Okay. Understood.

25 A. Speculation.

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1 Q. Yeah, I just -- so you're characterizing what
2 Mr. Cassidy is saying as speculation?

3 A. Correct.

4 Q. Is that your testimony?

5 A. Yes.

6 Q. Okay. And so when you read this, did you have
7 any reason to believe what Mr. Cassidy was saying was
8 correct?

9 A. No.

10 Q. Okay. Did you wonder whether it's true that
11 ReachLocal was keeping most of its money?

12 A. No.

13 Q. It was true, though, at the time that you had
14 problems with ReachLocal's products. Correct?

15 A. Yes.

16 Q. For a long time at that point --

17 A. Yes.

18 Q. -- almost two years?

19 A. Uh-huh.

20 Q. So did this statement by Mr. Cassidy prompt
21 you to wonder whether what he's saying about ReachLocal
22 is true?

23 A. No.

24 Q. Why not?

25 A. Because all businesses that are for profit

1 businesses spend some of the money that they collect on
2 running the business.

3 Q. Okay.

4 A. I do the same thing.

5 Q. Okay. So you just assumed this to be just a
6 speculative comment by some single individual. Correct?

7 A. Yes.

8 Q. Do you -- going back to the first page, do you
9 see that Ms. Hutton asked Mr. Cassidy whether he had any
10 proof of what was being said in his message? Do you see
11 that?

12 A. Yes.

13 Q. Do you know why she did that?

14 A. Because anyone who puts out claims is just
15 putting out cold air unless there's something behind it.

16 Q. Understood. And did you ask her to do that?

17 A. No.

18 Q. Did you ask her to follow up with Mr. Cassidy
19 to explain what he means?

20 A. No. And she didn't.

21 Q. Okay. Well, she followed up with Mr. Cassidy
22 to ask for proof. Is that not true?

23 A. Yes.

24 Q. It is. So she did follow up with Mr. Cassidy
25 asking what he means. Correct?

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1 A. Yes.

2 Q. Okay. So did you ask her to do that?

3 MR. BROOKNER: Objection. Asked and
4 answered. You can answer.

5 A. No.

6 Q. (BY MR. KHAN) Okay. And do you see that
7 there's a link here from PPC Claim, a PPC Claim link
8 that Adriana provides Matt? Correct?

9 A. Uh-huh.

10 Q. And that includes this document that begins
11 with reveal the raw data behind the ReachLocal platform.
12 This is the document that's in the link. Do you
13 remember reading this document, Mr. Hutton?

14 A. Never seen it before.

15 Q. Okay. So you've never seen the link that
16 Ms. Hutton had sent to Matt?

17 A. No.

18 Q. Okay. Did you understand that ReachLocal had
19 a platform that it used for its -- ReachLocal had a
20 platform that it used for its customers?

21 MR. BROOKNER: Objection to the form.

22 Q. (BY MR. KHAN) Do you understand that term
23 "platform"?

24 MR. BROOKNER: Sorry. Objection to the
25 form. You can answer the question. Remember, don't

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1 talk over counsel. Wait a second to answer. Okay? Go
2 ahead.

3 A. I don't understand your question.

4 Q. (BY MR. KHAN) Well, I'm just trying to
5 understand what you -- if you understand ReachLocal's
6 business model. Do you understand how ReachLocal
7 operates?

8 A. I understand that you pay them certain amounts
9 of money and they allocate that towards --

10 Q. Okay. Understood. So you had not read this
11 link at any point in time. Is this the first time
12 you're seeing this document?

13 A. Yes.

14 Q. Okay. If you take a moment to review it --
15 it's not very long, but take your time. Do you see the
16 part, Mr. Hutton, where it says towards the beginning,
17 For those of you who do not already know ReachLocal our
18 premier SME partner of Google AdWords?

19 A. Okay.

20 Q. Did you know that to be true?

21 A. Like I said, I've never read this before.

22 Q. No, no, I'm not asking you whether you've read
23 it before, Mr. Hutton. I'm asking you now about the
24 contents of it. This statement, for those of you who do
25 not already know ReachLocal, our premier SME partner of

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1 Google AdWords. Did you know that ReachLocal was a
2 premier SME partner of Google AdWords?

3 A. I did not.

4 Q. Okay. Did you ask Adriana to -- I think you
5 testified earlier that you asked her to forward the
6 message to Mr. Ramsey. Am I accurate?

7 A. Correct.

8 Q. Okay. Why did you do that?

9 A. As a general courtesy --

10 Q. Okay.

11 A. -- as I would do with any person that I do
12 business with if something came up that regarded them.

13 Q. Okay. So just -- I want to understand what
14 you mean by general courtesy. So you had done business
15 with Matt at this point for almost three years.

16 Correct?

17 A. Uh-huh.

18 Q. You had an ongoing agreement orally with him.
19 Correct?

20 A. Yes.

21 Q. You were spending about \$1,000 a month with
22 Compass Point. Correct?

23 A. No.

24 Q. With Compass Point via ReachLocal, a portion
25 of it ReachLocal, a portion of it Compass Point.

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1 Correct?

2 A. Correct.

3 Q. Okay. So this message concerned Reach Local,
4 correct, the one from Cassidy?

5 A. Yes.

6 Q. And so you felt it was important enough to
7 send it to Mr. Ramsey because he was using ReachLocal.

8 Correct?

9 A. Correct.

10 Q. And what was the purpose behind it? Was it to
11 have Matt look into whether ReachLocal should be
12 continued to be used as a partner?

13 A. No.

14 Q. Did you want Mr. Ramsey to stop using
15 ReachLocal?

16 A. No.

17 Q. But you had communicated to him a year prior
18 that you were questioning ReachLocal's ROI, return on
19 investment. Correct?

20 A. Correct.

21 Q. Did you ask him to stop using ReachLocal at
22 that time?

23 A. Not at that time, no.

24 Q. Okay. Did you talk -- did you ask him to stop
25 using ReachLocal in 2016?

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1 A. Yes.

2 Q. At what point?

3 A. About May or so.

4 Q. May?

5 A. May or June. I don't have an exact date.

6 Q. Okay. So you're saying that May of this year
7 is when you asked him to stop using ReachLocal. Right?

8 A. Correct.

9 Q. Okay. So at that point, that was the first
10 time you asked him to stop using ReachLocal?

11 A. We had discussed stopping using ReachLocal for
12 months prior to that.

13 Q. Okay. But that's when you asked him to
14 officially stop using ReachLocal. Correct?

15 A. Yes.

16 Q. Now you are saying you had discussed with him
17 stopping using ReachLocal for months prior. Can you be
18 more specific?

19 A. We had had conversations that we were not
20 receiving what we thought was good dollar for our -- or
21 good return on our dollar, and we had talked about doing
22 some other campaigns.

23 Q. Okay. So there were ongoing discussions
24 between you and Compass Point about the continuing
25 viability of ReachLocal in 2016?

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1 A. For us, yes.

2 Q. For InLight --

3 A. Uh-huh.

4 Q. -- right. Yet, you still had ongoing
5 campaigns in January. Correct?

6 A. January of this year, yeah.

7 Q. February, March --

8 A. Uh-huh.

9 Q. -- April, and possibly May you think is when
10 it stopped. Correct?

11 A. Uh-huh.

12 Q. So you continued to -- the business as usual
13 that you had with -- with Compass Point until it was
14 terminated. Right?

15 A. Yeah.

16 Q. Okay. So at this time then there was an
17 ongoing campaign that Compass Point was managing for you
18 when you were using ReachLocal products as of the date
19 of this e-mail. Correct?

20 A. Correct.

21 Q. And so you felt that the e-mail should be sent
22 to Matt to inform him about his partner ReachLocal.
23 Correct?

24 A. Just to give him information that we received.

25 Q. Did you expect him to look into the

1 information that you received?

2 A. I didn't expect anything.

3 Q. Did Matt -- does Matt -- have you forwarded
4 Matt information in the past, just generally?

5 A. Nothing like this has come up.

6 Q. Okay. But you've sent him e-mails and
7 communications in the past on things that interest you
8 from a business perspective?

9 MR. BROOKNER: Object. Never mind.
10 Sorry. Go ahead.

11 A. Yes.

12 Q. (BY MR. KHAN) Yes. And in the communications
13 that you had with Matt when you send him information,
14 it's a dynamic relationship; you're sharing information
15 with one another. Correct?

16 A. Yes.

17 Q. And you expect him when you forward a link or
18 send something with online presence, that he would
19 follow up or look into your concerns or whatever
20 questions you have generally?

21 A. Generally.

22 Q. So in this context when you sent -- given the
23 long-standing relationship you had with him, four or
24 five years personally and professionally -- personally
25 almost seeing him once a week, as you previously

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1 testified, you would expect him to review the
2 information that was being sent to him. Correct?

3 A. No.

4 Q. Why not?

5 A. Because I don't expect him to do anything. I
6 simply forward him some information that we received.

7 Q. Okay. So do you expect him to --

8 A. We did not ask him to investigate it or --

9 Q. That's not what I'm asking --

10 A. Well, that's what I'm telling you.

11 Q. -- Mr. Hutton. Yeah, but that's not an answer
12 to my question. So why don't we repeat the question,
13 have the court reporter do that if she doesn't mind.

14 (Requested testimony read.)

15 Q. (BY MR. KHAN) So, again, I'll repeat the
16 question if it's not clear. My question is simply you
17 forwarded the information for his consumption. Correct,
18 Mr. Hutton?

19 A. Correct.

20 Q. For his consumption? You expected him to
21 review it. Correct?

22 MR. BROOKNER: Objection. Asked and
23 answered several times. And Rick, you may answer the
24 question.

25 A. I did not expect him to do anything. We

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1 simply forward him some information.

2 Q. (BY MR. KHAN) Okay. So when you sent him the
3 information about what Cassidy is saying about
4 ReachLocal, is it not reasonable to assume that Matt,
5 who has a relationship with ReachLocal for several
6 years, would take seriously what you're sending him?

7 A. Yes.

8 Q. And is it not reasonable that he would look
9 into the link that was sent to him?

10 A. Reasonable.

11 Q. And is it not reasonable that he would review
12 the contents of the allegations that Mr. Cassidy is
13 saying about ReachLocal?

14 A. I cannot answer for him.

15 Q. I'm not asking you to answer for him. I'm
16 saying do you think it's reasonable for him to have done
17 that?

18 A. Yes.

19 Q. Okay. Now I would like you to review a
20 document that the court reporter previously marked as
21 Exhibit 11.

22 A. Okay.

23 Q. These are documents that were produced to me
24 this morning. So let me just get the online version
25 here so I can follow along and ask questions about it.

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1 So Mr. Hutton, these are e-mail communications that
2 continue, and it's the full extent of the FaceBook
3 messages that were exchanged by your wife, Ms. Hutton
4 and Mr. Cassidy. Do you see that?

5 A. Yes.

6 Q. Okay. I'm going to ask you a series of
7 questions about each of these individual documents.

8 First, after the e-mail attaching the FaceBook
9 communication and message and the link was sent to
10 Mr. Ramsey, Mr. Ramsey responds to Ms. Hutton. Do you
11 see this on page 2? It's an e-mail dated Wednesday,
12 March 2, 2016 at 4:20 p.m.?

13 A. Yes.

14 Q. That appears to be the same day that he
15 received the information that was shared to him that you
16 wanted him to read. Correct?

17 MR. BROOKNER: Objection to the
18 characterization of Rick wanting anything. But you can
19 answer the question.

20 A. Yes.

21 Q. (BY MR. KHAN) Well, I think you previously
22 testified you wanted this information to be shared with
23 Mr. Ramsey. Is that not correct?

24 A. I wanted it forwarded to him --

25 Q. Yeah, that's what I'm asking.

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1 A. -- as a courtesy.

2 Q. Okay. And so this e-mail dated March 2nd at
3 4:20 p.m. was sent the same day in response to
4 Ms. Hutton's e-mail. Correct?

5 A. Correct.

6 Q. Now in the e-mail he says, Hey, Adriana, I
7 talked with Rick about this this morning. Do you see
8 that?

9 A. Yes.

10 Q. Did Mr. Ramsey have a conversation with you
11 about this, meaning -- first off, let me step back. Bad
12 question.

13 Does the "this" refer to the communication
14 that Cassidy made on FaceBook?

15 A. Yes.

16 Q. Did Mr. Ramsey speak to you about the
17 communications with Mr. Cassidy that were forwarded to
18 him that morning?

19 A. Yes.

20 Q. Okay. I want to talk about that conversation.
21 How long was it for?

22 A. I don't recall.

23 Q. Was it ten minutes?

24 A. No. Two.

25 Q. Two minutes?

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1 A. Yeah.

2 Q. You spoke to him for two minutes?

3 A. Yes.

4 Q. Okay. And what did you discuss?

5 A. We discussed -- he had checked into this, and
6 we discussed about, yes, all companies take some money
7 to operate the company.

8 Q. So all companies -- so you're talking about
9 the contents of what Cassidy was saying, that some
10 companies take margins to earn money, and you're saying
11 that you discussed that all companies do this, including
12 ReachLocal. Correct?

13 A. I am saying that the communication between
14 Matt and I are that, yes, companies take a cut.

15 Q. Companies generally take a cut?

16 A. Sure.

17 Q. But was specifically there a discussion about
18 ReachLocal? You were talking about Cassidy's
19 communication, which concerns ReachLocal, so I assume
20 the conversation was about ReachLocal?

21 A. Yes --

22 Q. Okay.

23 A. -- as the e-mail says.

24 Q. Yes. And -- yeah, the e-mail does say --
25 you're right, Mr. Hutton, the e-mail does say, I talked

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1 with him about ROI. Does ROI stand for return on
2 investment?

3 A. Yes.

4 Q. And it's the return on investment that you're
5 interested in for your company InLight. Isn't that
6 true?

7 A. Yes.

8 Q. And so the question is whether the discussion
9 that you had was whether ReachLocal was maximizing the
10 ROI for you?

11 A. Yes.

12 Q. And the discussion was whether Cassidy's
13 allegation in the post about ReachLocal keeping money
14 was true or not. Correct?

15 A. No. I mean, all for profit companies keep
16 some money to run the company. I understand that. I'm
17 a businessman.

18 Q. Correct. But I'm saying that that -- your
19 discussion -- the point of Mr. Ramsey calling you was to
20 respond about the messages that he received that
21 Ms. Hutton forwarded, which were Mr. Cassidy's messages,
22 correct, about ReachLocal?

23 A. I do not recall how the conversation came up.
24 I was down there. We talked.

25 Q. Is it reasonable to assume that he spoke to

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1 you on the phone in response to an e-mail that he
2 received from Ms. Hutton?

3 A. No.

4 Q. So he didn't call you in response to the
5 e-mail he received from Ms. Hutton?

6 A. No.

7 Q. So --

8 A. We spoke --

9 Q. -- when he says here, I talked with Rick about
10 this this the morning, that was an independent
11 conversation and had nothing to do with the e-mail he
12 received from Adriana?

13 A. No. It was not a phone call. We had a face
14 to face --

15 Q. Okay.

16 A. -- conversation.

17 Q. Fair enough. Just trying to understand. So
18 now I know it's a face to face conversation. Okay.

19 A. Uh-huh.

20 Q. And you're saying it lasted for two minutes.
21 He's a few offices down. So he walked into your office.
22 Did you ask him to walk into your office --

23 A. No.

24 Q. -- to talk about this matter? He walked in?

25 A. No.



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1 Q. He felt it important enough to walk in.

2 Right?

3 A. No.

4 Q. No. Then what happened?

5 A. I went down to his office to discuss some
6 other matters --

7 Q. Okay.

8 A. -- and we talked about that.

9 Q. Okay. You went down to his office to discuss
10 other matters. What other matters?

11 A. Irrelevant to this meeting.

12 Q. Well, whether it's irrelevant or not, I just
13 want to know the substance of it. What actually did you
14 go there to talk to him about?

15 A. When we were going to go have beer. You know,
16 just general conversation.

17 Q. Okay. And -- but this issue of Mr. Cassidy's
18 communications came up?

19 A. Yes.

20 Q. Okay. Now I understand. I just want to
21 understand exactly what happened.

22 So you have a meeting with Mr. Ramsey. It was
23 the morning of March 2nd. It was after information was
24 forwarded to him about Mr. Cassidy's messages. The
25 contents of that conversation included a variety of

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1 things socially but also included what Mr. Cassidy had
2 said in those messages. Is that an accurate depiction
3 of the meeting you had?

4 A. Yes.

5 Q. Okay. Thank you.

6 In this e-mail he says, But I logged into
7 ReachLocal this afternoon and, lo and behold, there is
8 already a letter written about this Kieran Cassidy
9 fella. Seems he's bad news. Crazy that he contacted
10 you all the way from England.

11 A few questions about this. Mr. Ramsey is
12 saying that he logged into ReachLocal this afternoon.
13 So do you understand this to mean that he was looking
14 into the information that was shared by you to him?

15 A. No.

16 Q. Okay. What do you understand that statement
17 to mean then?

18 A. He deals with ReachLocal on many companies,
19 not just ours. So he logged in to reach for whatever
20 reason. I do not know. I'm not him.

21 Q. Well, I'm not asking you to delve into his
22 mind. I'm asking you about what he's saying here,
23 because he's referencing a meeting he had with you. He
24 says here there is already a letter written about this
25 Kieran Cassidy fellow. Do you see that?

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1 A. Uh-huh.

2 Q. Do you know what letter he's referring to?

3 A. No.

4 Q. Well, it's in the documents that you have
5 before you. So why don't you take a moment and read it.

6 A. Okay.

7 Q. Okay. It seems like there's a letter written
8 by ReachLocal concerning Mr. Cassidy. Do you see that?

9 A. Uh-huh.

10 Q. Okay. Now this is a letter that was sent to
11 Ms. Hutton in response to the e-mail that she received.
12 Right? So in this e-mail Mr. Ramsey is attaching a
13 letter about Cassidy that was prepared by ReachLocal.
14 Correct?

15 A. I guess so.

16 Q. Okay. Did you read this letter before, prior
17 to today at any point in time?

18 A. Not that I recall.

19 Q. Okay. Do you recall reviewing the contents of
20 this letter or discussing the contents of this letter
21 with Ms. Hutton at any time?

22 A. I can't say. I don't recall.

23 Q. You don't recall. Did Ms. -- you don't recall
24 one way or the other. You could have or you could not
25 have. Correct?

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1 A. Correct.

2 Q. And did Ms. Hutton tell you that ReachLocal
3 had written a letter about this Cassidy fellow?

4 A. I think Matt did.

5 Q. So Matt in that meeting that he had with you,
6 that's when he raised it?

7 A. I don't recall if it was that meeting or not.

8 Q. But at some point in time he did mention the
9 letter?

10 A. Uh-huh.

11 Q. Okay. Do you remember what he talked to you
12 about with respect to that letter?

13 A. No, I don't.

14 Q. Just that it was sent possibly, that a letter
15 had been sent about Cassidy?

16 A. Yeah.

17 Q. Okay. He says, I'll stop by tomorrow or
18 Friday to discuss further with Adriana about -- you
19 know, about this matter. Do you recall him meeting with
20 Adriana later in this week to discuss the FaceBook
21 messages of Mr. Cassidy?

22 A. No, I don't recall that.

23 Q. But you do recall just a meeting he had with
24 you, which was very brief?

25 A. (Witness nods head.)



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1 Q. Okay. Reviewing this letter, it mentions in
2 the letter that Mr. Cassidy -- sorry.

3 It mentions in the letter that Mr. Cassidy is
4 an owner of PPC Claim and is soliciting business. Do
5 you see that?

6 A. Yes.

7 Q. And do you see it says, Indeed, Mr. Cassidy is
8 a disqualified director, debarred from acting as a
9 director and from the formation, promotion and
10 management of companies?

11 A. Yes.

12 Q. Did you -- do you recall hearing that from
13 either Matt or Adriana at the time?

14 A. I do not.

15 Q. Do you recall -- do you know if you understood
16 Mr. Cassidy to have been acting on behalf of PPC Claim
17 at that time?

18 A. I did not get that involved in this.

19 Q. That's not my question. I'm just asking if
20 you --

21 A. No.

22 Q. Okay. Thank you.

23 When you're saying you did not get this
24 involved in this, you personally did not get involved,
25 but did you direct Adriana Hutton to get involved?

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1 A. I directed her to forward what she got on
2 FaceBook to Matt.

3 Q. Okay. And did you direct her to respond to
4 Cassidy in any way --

5 A. No.

6 Q. -- on FaceBook?

7 A. No.

8 Q. Did you ask her to reply on FaceBook to
9 Cassidy?

10 A. No.

11 Q. Did you feel it was appropriate to respond to
12 Mr. Cassidy asking for proof?

13 A. It never crossed my mind.

14 Q. Okay. So Ms. Adriana Hutton did it on her own
15 accord; you did not ask her to actually ask for proof?

16 A. Not that I recall.

17 Q. And you did not ask her to respond to
18 Mr. Cassidy via FaceBook?

19 A. No.

20 Q. Okay. Looking forward in these communications
21 here, there are FaceBook communications; and in these
22 FaceBook communications, Ms. Hutton actually sends the
23 entire letter pasted to Mr. Cassidy. Do you see that?
24 Review it further down. You'll see it.

25 Do you see the lengthy communication where she

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1 encloses the contents of the letter to Mr. Cassidy,
2 Mr. Hutton?

3 A. Yeah.

4 Q. Okay.

5 MR. BROOKNER: I'm sorry. Objection to
6 the form. I thought you called somebody else
7 Mr. Hutton, but maybe I got it wrong. Go ahead.

8 Q. (BY MR. KHAN) I'm just asking you whether you
9 see in this document that Ms. Hutton did, indeed, send
10 the contents of the letter to Mr. Cassidy via FaceBook?

11 A. I guess so.

12 Q. Okay.

13 A. I had nothing to do with it.

14 Q. Okay. So she -- you didn't ask her to do
15 that. Correct?

16 A. No.

17 Q. You had never seen that -- did you know prior
18 to today that she did that?

19 A. No.

20 Q. Okay. Do you see the communications from
21 Mr. Cassidy? I want you to keep looking at the
22 document, Mr. Hutton. At the very end there are
23 communications from Mr. Cassidy in response to her. Can
24 you read those and review those?

25 MR. BROOKNER: Are you talking about the

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1 FaceBook stuff --

2 MR. KHAN: Yes.

3 MR. BROOKNER: -- at the back?

4 MR. KHAN: Yes, I am.

5 A. Yes, I did see this. And if you will look, it
6 says, If not, I wish you the best in your business. If
7 we were not interested in joining, that which we were
8 not, and we didn't.

9 Q. (BY MR. KHAN) That's not my question. I'm
10 just asking you do you see those messages, Mr. Hutton?

11 A. Yes.

12 Q. Okay. And did you see that Mr. Cassidy is
13 responding to Ms. Hutton having pasted the letter saying
14 that you should ask ReachLocal this, send them this? Do
15 you see that message?

16 A. Yes.

17 Q. Okay. And do you see that Mr. Cassidy says
18 that we are in the process of building a class action in
19 the United States?

20 MR. BROOKNER: Look at the document, and
21 after this question or two, let's take a two minute
22 break.

23 MR. KHAN: Okay. I want to finish this
24 line of --

25 MR. BROOKNER: That's fine.

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1 MR. KHAN: -- inquiry on this document
2 before I take a break.

3 MR. BROOKNER: That's fine.

4 A. The question again?

5 Q. (BY MR. KHAN) Yes. You're looking at this
6 FaceBook page, right? And it says -- FaceBook message.
7 And it says we are in the process of building a class
8 action in the US. If you would like to register
9 interest, feel free to drop me an e-mail. Do you see
10 that?

11 A. Uh-huh.

12 Q. Your testimony earlier was prior to today you
13 had not seen these messages before. Is that correct?

14 A. No.

15 Q. So you had seen these messages?

16 A. I have seen the FaceBook messages.

17 Q. Okay. So these are the FaceBook messages?

18 A. I have not seen the document from PPC --

19 Q. Claim, right. That was the screenshot, the
20 proof, that link to the PPC Claim. I understand that.
21 But you have seen all of these messages prior to today?

22 A. I have seen the ones from Kieran Cassidy.

23 Q. Okay. So just so we understand now, earlier
24 you testified that you hadn't seen the message
25 Ms. Hutton sent to Cassidy that included the letter

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1 ReachLocal had provided --

2 A. Correct.

3 Q. -- through Matt.

4 A. Correct.

5 Q. But you have seen this message?

6 A. Yes.

7 Q. And you saw it at that time. Correct? You
8 saw it at the time it was sent?

9 A. I saw this message at the time it was
10 received.

11 Q. Did you understand that Kieran Cassidy had
12 brought a lawsuit against ReachLocal in the United
13 States?

14 A. I saw that they were building a class action
15 suit.

16 Q. Earlier in your testimony you mentioned
17 that -- when you spoke to Mr. Syverson, that you
18 understood that Cassidy had brought a lawsuit against
19 ReachLocal in the United States. Do you recall that
20 testimony?

21 A. I knew that they had brought one against the
22 UK.

23 Q. Okay. But does this now refresh your
24 recollection that what your -- what you understood to be
25 a lawsuit in the United States was referring to this

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1 message that we are in the process of building a class
2 action in the US?

3 A. Yes.

4 Q. Okay. So you understood at this time that
5 Cassidy was on the verge of suing ReachLocal. Is that
6 correct?

7 A. Yes.

8 Q. Did you make anything of that?

9 A. No.

10 Q. Did you tell Adriana to look into that?

11 A. No.

12 Q. Did you ask Matt about whether that was true?

13 A. I believe that was forwarded to Matt.

14 Q. Yes. I'm saying did you personally
15 subsequently to that have a conversation in person or
16 over the phone where you asked Matt about whether or not
17 Cassidy was bringing a lawsuit in the United States?

18 A. No.

19 Q. Did you discuss with Matt about what Cassidy
20 had been saying about ReachLocal's hidden margins?

21 A. Yes. We had a discussion about ReachLocal and
22 businesses in general.

23 Q. Okay.

24 MR. BROOKNER: Are we good for a break
25 now?

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1 MR. KHAN: Yes, we are.

2 THE VIDEOGRAPHER: We are now off the
3 record. The time is 12:27.

4 (Break from 12:26 p.m. to 12:30 p.m.)

5 THE VIDEOGRAPHER: We are back on the
6 record. The time is 12:31. This is tape number 2.

7 Q. (BY MR. KHAN) So Mr. Hutton, I want to show
8 you a document which the court reporter previously
9 marked as Exhibit 12. Take a look at that.

10 A. Okay.

11 Q. This is an e-mail from Mr. Ramsey. This
12 includes, sorry, the e-mail from Ms. Hutton to
13 Mr. Ramsey which we previously asked questions about.
14 And there is a subsequent e-mail from Mr. Ramsey to a
15 Steven Dollar at ReachLocal copied to Ben Layne at
16 Compass Point. Do you know someone by the name of Ben
17 Layne at Compass Point? Does that name ring a bell?

18 A. It might be one of his employees.

19 Q. Okay. So in this e-mail, which was sent on
20 March 2nd at 2:32, this was the afternoon -- the same
21 afternoon when Ms. Hutton had forwarded you information
22 from the Cassidy FaceBook messages. This was also after
23 you had met with Matt when you had gone to his office to
24 have a short discussion about a variety of things but
25 that included Cassidy's FaceBook messages. Is that

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1 right?

2 A. Yes.

3 Q. Okay. So this e-mail is later that afternoon
4 and it's addressed to Steven. Steven Dollar is a
5 representative at ReachLocal who manages the InLight
6 account. He said, We've had one customer who had been
7 with ReachLocal, for I'm guessing four to five years,
8 drop ReachLocal completely this week. Another one below
9 is questioning continuing with ReachLocal as well. Do
10 you see that?

11 A. Uh-huh.

12 Q. So in this e-mail Mr. Ramsey is referring to
13 the e-mail from Ms. Hutton. Correct?

14 A. Yes.

15 Q. And he's saying he's questioning continuing --
16 he's interpreting that to say that InLight is
17 questioning continuing with ReachLocal. Is that true?

18 A. Yes, we had been for several months prior.

19 Q. Okay. But he's saying that with respect to
20 this e-mail particularly, that is why InLight is
21 questioning continuing with ReachLocal.

22 A. I cannot speak for him.

23 Q. I understand that. I'm just saying does it
24 surprise you that Mr. Ramsey is saying that he
25 understands Ms. Hutton's e-mail to say that he's

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1 questioning -- that InLight is questioning to continue
2 with ReachLocal?

3 A. No.

4 Q. Why not?

5 A. Because I had been talking with Matt
6 questioning about keeping ReachLocal for several months
7 prior to.

8 Q. Okay.

9 A. This does not refer to that.

10 Q. This -- how do you know that it doesn't refer
11 to that when it actually says below, the word "below" on
12 it?

13 A. I cannot speak for him.

14 Q. Okay. So you don't know that it doesn't refer
15 to that, because you just said you can't speak for the
16 e-mail. So you don't know for certain, Mr. Hutton, that
17 what he's saying here refers to prior discussions?

18 A. No.

19 Q. Okay. So in this e-mail he says another one
20 below is questioning continuing with ReachLocal.
21 Mr. Ramsey is referring to an e-mail from Ms. Hutton
22 about Cassidy's communications and characterizing that
23 as InLight questioning continuing with ReachLocal. Does
24 that surprise you?

25 A. No.

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1 Q. Do you believe it was -- it's a reasonable
2 inference or it's reasonable for Mr. Ramsey to have read
3 and received a forwarded e-mail with Cassidy's
4 communications that would inform his understanding that
5 InLight was worried about what Mr. Cassidy was saying?

6 A. No.

7 MR. BROOKNER: Objection to the form, and
8 objection to the extent you're asking him to interpret
9 what somebody he's never met thinks. But if you can
10 answer the question, go ahead.

11 MR. KHAN: Oh, he met Mr. Ramsey once a
12 week for three years.

13 MR. BROOKNER: I thought you were talking
14 about the other guy.

15 MR. KHAN: No, I'm talking about
16 Mr. Ramsey.

17 MR. BROOKNER: Go ahead.

18 MR. KHAN: I don't understand that part
19 of the objection, but go ahead.

20 MR. BROOKER: I thought you were talking
21 about the other guy.

22 A. No.

23 Q. (BY MR. KHAN) I'm sorry?

24 A. The answer to your question is no.

25 Q. Okay. Why not?

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1 A. Because this does not say that InLight is
2 looking at dropping ReachLocal because of this e-mail.

3 Q. That's not what it says at all.

4 A. Right.

5 Q. And I'm not characterizing that. It actually
6 says something quite different, Mr. Hutton, and you're
7 right. It says another one below is questioning
8 continuing with ReachLocal. Mr. Ramsey is drawing the
9 conclusion that the e-mail sent to him from Ms. Hutton
10 forwarding Mr. Cassidy's communication means that
11 InLight is questioning continuing with ReachLocal. Is
12 that not accurate?

13 A. No.

14 Q. Okay. Why not?

15 A. Because InLight was simply supplying him with
16 information that we received that has to do with
17 something that he contracted.

18 Q. Okay. So from your vantage point, that's how
19 you --

20 A. Yes.

21 Q. -- expected Mr. Ramsey to have interpreted the
22 e-mail?

23 A. Yes.

24 Q. My question is slightly different. Is it
25 reasonable for Mr. Ramsey to have -- having reviewed

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1 this e-mail, to have interpreted it as InLight being
2 concerned about Cassidy's messages?

3 A. I cannot answer for Mr. Ramsey.

4 Q. Okay. But does it surprise you that he has
5 characterized it that way?

6 A. Yeah.

7 Q. Okay. Why?

8 A. Because it was not taken to him of, Matt, we
9 are really concerned about this, what do you think? It
10 was FYI, here is a posting we received on our FaceBook
11 page.

12 Q. Yet Mr. Ramsey immediately responded to the
13 message with a letter from ReachLocal, immediately said
14 this person was in London, and then had a meeting with
15 you in person where you discussed it for a few minutes.
16 Correct?

17 A. Correct.

18 Q. So from his vantage point -- I'm not talking
19 about your vantage point -- you know him very well.

20 A. No.

21 Q. I understand that you guys are friends.
22 Correct?

23 A. Business neighbors.

24 Q. Neighbors. You interact socially. So from
25 your vantage point, knowing Matt -- you have a very long

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1 standing relationship with him -- was it reasonable for
2 him to -- wrongly or rightly, but to understand what is
3 being said to him is that InLight is concerned about
4 what Cassidy is saying about ReachLocal?

5 A. I cannot answer for him.

6 Q. Okay. So you don't -- I'm not asking you to
7 answer for him. I'm asking is it reasonable for him to
8 feel that way or not?

9 A. Yes.

10 Q. Okay. Let me show you a document that's been
11 previously marked as Exhibit 13 in this matter. Take a
12 moment to review that, Mr. Hutton.

13 A. Okay.

14 Q. This is an e-mail that appears to be a week or
15 so later. So it's sent by Mr. Ramsey to, again, Steven
16 Dollar, who was at ReachLocal. Copied are Josh Carney
17 and Zach Chambers. Do you know either of those names?

18 A. Josh is one of his employees. I don't know
19 who the other is.

20 Q. Okay. Have you ever worked with Josh before?

21 A. No.

22 Q. Okay. So in this e-mail -- it's actually a
23 chain -- there's an e-mail, if you go to the third page,
24 from Mr. Dollar to Mr. Ramsey saying, Gentlemen, Have
25 any more of your clients been contacted from PPC Claim?

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1 And can you tell me which client relationships have been
2 impacted? I know you said you lost one client already.
3 Can you tell me who?

4 Do you see that?

5 A. Uh-huh.

6 Q. So in this e-mail Mr. Dollar is asking about
7 prior communications he had with Mr. Ramsey about
8 contacts from PPC Claim to both -- to InLight and to
9 another client, which if you look at this e-mail, says
10 Gomo. Now my question is directed towards this
11 communication from Mr. Ramsey, this response. He says
12 on the first line, InLight Gobos is coming to our office
13 on Monday to discuss PPC Claim matters. Do you recall
14 Mr. Ramsey requesting a meeting from you about
15 discussing PPC Claim or Mr. Cassidy?

16 A. I do not.

17 Q. Do you recall Mr. Ramsey requesting Ms. Hutton
18 for a meeting to discuss PPC Claim or Mr. Cassidy?

19 A. No, not that I'm aware of.

20 Q. Yet Mr. Ramsey says in this e-mail that
21 InLight, your company, is coming to his office, which I
22 assume is two doors down, on Monday, which would be the
23 14th of March, to discuss PPC Claim. Do you know why
24 Mr. Ramsey would say that?

25 A. I do not.



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1 Q. From his vantage point, he's understanding a
2 meeting to discuss PPC Claim. Why would he be wanting
3 to meet to discuss PPC Claim?

4 A. I do not know.

5 Q. Did you have any discussions with him in the
6 intervening days about PPC Claim?

7 A. I don't recall.

8 Q. So he's reviewing and understanding from prior
9 communications sent to him from Ms. Hutton that he needs
10 to discuss with you and with Ms. Hutton about Kieran
11 Cassidy and PPC Claim?

12 A. No.

13 Q. But this is what he's saying in this e-mail.
14 So does that surprise you?

15 A. Yes.

16 Q. Do you think it's reasonable for him to have
17 interpreted, wrongly or rightly, that InLight and you
18 particularly, Mr. Hutton, may be concerned about what
19 Mr. Cassidy is saying so he wants to allay your
20 concerns?

21 A. I can't answer that.

22 Q. Well, Mr. Ramsey is your account manager. He
23 handles -- he's not account manager. He's your business
24 partner in this context for three years. Correct?

25 A. Yes.

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1 Q. And he's been managing your online presence,
2 including at this point in time an active campaign.
3 Correct?

4 A. Yes.

5 Q. And so from a sales perspective -- and that's
6 what Mr. Ramsey is, a salesperson -- is it reasonable
7 for him to feel that you may be concerned about what
8 Mr. Cassidy has said in these postings?

9 A. Reasonable for him? I guess.

10 Q. Okay. And so it would be reasonable for him
11 to talk to you about the truth of what's being said
12 because it affects whether or not to continue with
13 ReachLocal. Correct?

14 A. No.

15 Q. Why not?

16 A. Because we had already discussed dropping
17 ReachLocal and going up to that point and beyond. Yes,
18 we had some very short conversations about this. I was
19 not concerned about this, so --

20 Q. But you had discussed dropping ReachLocal
21 prior.

22 A. Correct.

23 Q. You had testified to that earlier, right --

24 A. Uh-huh.

25 Q. -- in prior negotiations?

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1 That was even as early as 2014 to 2015 that
2 year. Correct?

3 A. Yes.

4 Q. But ReachLocal hadn't been dropped?

5 A. No.

6 Q. And ReachLocal hadn't been dropped in March?

7 A. No.

8 Q. And ReachLocal hadn't been dropped as of
9 March 10th?

10 A. Not that I recall.

11 Q. And ReachLocal hadn't been dropped until May,
12 is what you testified to. Correct?

13 A. Yes.

14 Q. Okay. So at this time it was an active
15 relationship, a continuing one that had existed for
16 almost three years in which InLight continued to use
17 ReachLocal products?

18 A. Yes.

19 MR. BROOKNER: Objection to -- all right.
20 Never mind. Go ahead.

21 Q. (BY MR. KHAN) And so given that relationship,
22 you had not actually ceased using ReachLocal products as
23 of March 10th?

24 A. I do not recall the exact date that we stopped
25 it.



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1 Q. But it wasn't as of this date, March 10th?

2 A. No.

3 Q. You previously testified it was in May.

4 Correct?

5 A. I believe.

6 Q. Okay. So there was no -- you had not directed
7 Mr. Ramsey to cancel the Compass Point account as of
8 March?

9 A. Not that I recall.

10 Q. You had not directed Mr. Ramsey to cancel or
11 stop using ReachLocal products completely as of the date
12 of this e-mail --

13 MR. BROOKNER: Objection. Asked and
14 answered. You can answer.

15 A. Not that I recall.

16 Q. (BY MR. KHAN) And you had not directed
17 Mr. Ramsey to terminate the Compass Point account in
18 April?

19 A. Not that I recall.

20 Q. And you had not directed Mr. Ramsey to
21 terminate and stop using ReachLocal products in April of
22 2016?

23 MR. BROOKNER: Objection. Asked and
24 answered. You can answer.

25 A. I don't recall.



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1 Q. (BY MR. KHAN) You don't recall?

2 A. I don't recall --

3 Q. Okay.

4 A. -- the exact date that we stopped using it.

5 Q. Okay. I understand you don't recall the exact
6 date, but I guess my question was at the point of time
7 when the e-mail -- or the FaceBook messages were
8 forwarded to Mr. Ramsey about Cassidy and about the
9 allegations of ReachLocal, it was an active business
10 relationship between you and Compass Point?

11 A. Yes.

12 MR. BROOKNER: Objection. Asked and
13 answered. You may answer.

14 A. Yes.

15 Q. (BY MR. KHAN) And that active relationship
16 had been ongoing for several years?

17 MR. BROOKNER: Objection. Asked and
18 answered. You may answer.

19 A. Yes.

20 Q. (BY MR. KHAN) Okay.

21 MR. KHAN: Why don't we go off the record
22 for a few minutes, and I'll gather if I have any more
23 questions. I may not. Is that okay?

24 MR. BROOKNER: That's fine.

25 THE VIDEOGRAPHER: We are now off the

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1 record. The time is 12:46.

2 (Break from 12:45 p.m. to 12:48 p.m.)

3 THE VIDEOGRAPHER: We are back on the
4 record. The time is 12:49.

5 Q. (BY MR. KHAN) Mr. Hutton, I want to have the
6 court reporter mark as Exhibit 15 a copy of your
7 declaration.

8 (Exhibit 15 marked.)

9 MR. KHAN: We'll first have her mark it.

10 Q. (BY MR. KHAN) Mr. Hutton, this is a copy of
11 the declaration you signed on August 15 in this case.
12 Correct?

13 A. Correct.

14 Q. You've reviewed the contents of this before?

15 A. Correct.

16 Q. You believe everything that's included in here
17 is true and correct. Correct?

18 A. Correct.

19 Q. Okay. In paragraph 3 you say that Cassidy
20 contacted InLight through FaceBook in the past regarding
21 ReachLocal. You know that because of your conversations
22 with Ms. Adriana Hutton. Correct?

23 A. Correct.

24 Q. It later says that communication was forwarded
25 to Compass Point Marketing. We know that Ms. Adriana

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1 Hutton forwarded that communication to Compass Point.

2 Correct?

3 A. Correct.

4 Q. Not you?

5 A. Correct.

6 Q. You write, We had a short message exchange
7 with Mr. Cassidy over FaceBook. By "we," you are
8 referring to Ms. Hutton. Is that correct?

9 A. Correct.

10 Q. So in this paragraph, you did not have any
11 personal direct knowledge -- sorry. Scratch that. Let
12 me rephrase.

13 In this paragraph, the contents of what you're
14 testifying to are entirely derived from your
15 communications and understanding with Ms. Hutton.
16 Correct? Because you didn't read the FaceBook page
17 directly. Correct?

18 A. Not directly. I read it prior to this, yes.

19 Q. Because Ms. Hutton brought it to your
20 attention. Correct?

21 A. Yes.

22 Q. I'm just trying to make sure I understand
23 paragraph 3, because when you use the word "we," you are
24 referring to Ms. Hutton and not you yourself?

25 A. I am referring to we as in the company.

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1 Q. Okay. Fine. Fair enough.

2 The company had a short message exchange with
3 Mr. Cassidy. That's what you're referring to?

4 A. (Witness nods head.)

5 Q. Okay. But is it fair to say that the primary
6 point of contact with Mr. Cassidy and then the primary
7 point of contact with Mr. Ramsey with respect to
8 Mr. Cassidy's messages on FaceBook is Ms. Adriana
9 Hutton?

10 A. Yes. But that is also InLight's FaceBook
11 page, not Adriana Hutton's.

12 Q. You're right about that.

13 A. So --

14 Q. You're right about that, correct.

15 MR. KHAN: I don't have anything further.
16 And so I am willing to do the stipulation if you would
17 like.

18 MR. BROOKNER: I think we have to defer
19 to Erik to see if he has any.

20 MR. SYVERSON: No questions.

21 MR. KHAN: Okay. So I propose the
22 following stipulation. We'll relieve the court reporter
23 of her duty to maintain the original transcript under
24 the Code. We'll send the original transcript to
25 Mr. Hutton's deposition directly to Mr. Brookner, who is

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1 his lawyer. He will make arrangements to have
2 Mr. Hutton review the transcript, make any necessary
3 changes or corrections to it and sign the transcript
4 under penalty of perjury within 30 days of receipt.

5 MR. SYVERSON: So stipulated.

6 MR. BROOKNER: That's fine. And to
7 follow up on that as well with Adriana. Where do you
8 want the signed and read copies sent back to the court
9 reporter, or are there going to be instructions included
10 with that? Where do those go?

11 MR. KHAN: I think you should,
12 Mr. Brookner, notify me of any changes or corrections
13 and of the signing of the transcript within the 30 days.
14 And then if it's not -- if you don't notify me or if the
15 original of the transcript becomes lost, then an
16 unsigned certified copy can be used. And then in terms
17 of the maintenance of the custody of the transcript, I
18 think you should maintain it.

19 MR. BROOKNER: That's fine.

20 MR. SYVERSON: All that I would add,
21 Mr. Brookner, is just copy me on any communications
22 regarding changes.

23 MR. BROOKNER: Absolutely Erik, no
24 problem. I'm sorry, Mr. Syverson.

25 MR. SYVERSON: You can call me Erik. I

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1 don't mind. It's your birthday. You can do what you
2 want.

3 MR. KHAN: Okay. We're off the record
4 now.

5 MR. SYVERSON: Thank you.

6 THE VIDEOGRAPHER: We are now off the
7 record. The time is 12:54.

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1 CHANGES AND SIGNATURE

2 WITNESS NAME: RICK HUTTON

3 DATE OF DEPOSITION: SEPTEMBER 12, 2016

4 PAGE LINE CHANGE REASON

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RICK HUTTON
REACHLOCAL vs. PPC CLAIM LIMITED

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1 I, RICK HUTTON, have read the foregoing
2 deposition and hereby affix my signature that same is
3 true and correct, except as noted above.

4
5 _____
6 RICK HUTTON

7 THE STATE OF _____)
8 COUNTY OF _____)

9 Before me, _____, on
10 this day personally appeared RICK HUTTON, known to me
11 (or proved to me under oath or through
12 _____) (description of identity
13 card or other document) to be the person whose name is
14 subscribed to the foregoing instrument and acknowledged
15 to me that they executed the same for the purposes and
16 consideration therein expressed.

17 Given under my hand and seal of office this
18 _____ day of _____, _____.

19
20 _____
21 NOTARY PUBLIC IN AND FOR
22 THE STATE OF _____
23 COMMISSION EXPIRES: _____
24
25

RICK HUTTON
REACHLOCAL vs. PPC CLAIM LIMITED

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1 STATE OF TEXAS)

2 COUNTY OF DALLAS)

3 I, Julie C. Brandt, a Certified Shorthand Reporter
4 duly commissioned and qualified in and for the State of
5 Texas, Certified Realtime Reporter and a Registered
6 Merit Reporter, do hereby certify that there came before
7 me on the 12th day of September, 2016, at the offices of
8 Gray Reed & McGraw, located at 1601 Elm Street, Suite
9 4600, Dallas, Texas, the following named person, to-wit:
10 RICK HUTTON, who was duly sworn to testify the truth,
11 the whole truth, and nothing but the truth of knowledge
12 touching and concerning the matters in controversy in
13 this cause; and that she was thereupon examined upon
14 oath and her examination reduced to typewriting by me or
15 under my supervision; that the deposition is a true
16 record of the testimony given by the witness.

17 I further certify that pursuant to FRCP Rule 30(e)
18 that the signature of the deponent:

19 [X] was requested by the deponent before the
20 completion of the deposition, and that signature is to
21 be before any notary public and returned to counsel
22 within 30 days from date of receipt of this transcript.

23 [] was not requested by the deponent or a party
24 before the completion of the deposition.

25 I further certify that I am neither attorney or



RICK HUTTON
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1 counsel for, nor related to or employed by any of the
2 parties to the action in which this deposition is taken,
3 and further that I am not a relative or employee of any
4 attorney or counsel employed of any attorney or counsel
5 employed by the parties hereto, or financially
6 interested in the action.

7 CERTIFIED TO BY ME on this the 13th day of
8 September, A.D., 2016.

9
10
11 
12

13 Julie Brandt, CSR, RMR, CRR
14 Texas CSR No. 4018
Expiration date: 12/31/16
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Exhibit 2

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ADRIANA HUTTON
REACHLOCAL vs. PPC CLAIM LIMITED

September 12, 2016

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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

REACHLOCAL, INC.,)
Plaintiff,)
vs.) Civil Action No.
PPC CLAIM LIMITED,) 2:16-cv-01007-R
et al.,)
Defendant.)

ORAL AND VIDEOTAPED DEPOSITION OF

ADRIANA HUTTON

SEPTEMBER 12, 2016

ORAL AND VIDEOTAPED DEPOSITION OF ADRIANA HUTTON,
produced as a witness at the instance of the Plaintiff,
and duly sworn, was taken in the above-styled and
numbered cause on the 12th day of September, 2016, from
9:18 a.m. to 11:13 a.m., before Julie C. Brandt, RMR,
CRR, and CSR in and for the State of Texas, reported by
machine shorthand, at the offices of Gray Reed & McGraw,
P.C., 1601 Elm Street, Suite 4600, Dallas, Texas,
pursuant to the Federal Rules of Civil Procedure and the
provisions stated on the record or attached hereto.

ADRIANA HUTTON
REACHLOCAL vs. PPC CLAIM LIMITED

September 12, 2016

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A P P E A R A N C E S

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Ryan Fickling - Esquire Deposition Solutions



ADRIANA HUTTON
REACHLOCAL vs. PPC CLAIM LIMITED

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P R O C E E D I N G S

THE VIDEOGRAPHER: We are now on the record for the video deposition of Adriana Hutton. The time is 9:20 on September 12th, 2016. This is the matter of ReachLocal, Incorporated versus PPC Claim Limited, et al., being held in the United States District Court for the Central District of California, Civil Action No. 2:16-CV-001007-R.

Counsel, will you please introduce yourselves for the record.

MR. KHAN: Good morning. This is Amjad Khan of Brown Neri Smith & Khan representing the Plaintiff ReachLocal.

MR. BROOKNER: Jason Brookner --

MR. SYVERSON: And this is --

MR. BROOKNER: Oh, sorry, Erik. Go ahead.

MR. SYVERSON: This is Erik Syverson on the telephone from the law firm of Raines Feldman representing the Defendants Kieran Cassidy and PPC Claim Limited.

MR. BROOKNER: Jason Brookner from Gray Reed & McGraw on behalf of Ms. Hutton.

THE VIDEOGRAPHER: Will the court reporter please administer the oath.



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1 ADRIANA HUTTON,
2 having been first duly sworn, testified as follows:

3 EXAMINATION

4 BY MR. KHAN:

5 Q. Good morning, Ms. Hutton.

6 A. Good morning.

7 Q. Thank you for being here. Would you let me
8 know where you work currently?

9 A. Projection Technologies Corporation DBA
10 InLight Gobos.

11 Q. I didn't catch the full name. Projection?

12 A. Technologies.

13 Q. Technologies.

14 A. Corporation.

15 Q. Corporation. And you mentioned then InLight
16 Gobos. Is that all one name?

17 A. It's a DBA.

18 Q. It's a DBA. Okay.

19 A. InLight, one word, and then Gobos.

20 Q. And how long have you worked there?

21 A. Eight years.

22 Q. And what is your current position there?

23 A. Vice president of operations.

24 Q. I'm going to get into a little bit more about
25 your employment background, but before I do, I just

1 wanted to ask if you've ever been deposed before?

2 A. No.

3 Q. Okay. So this can be a rather unusual
4 process, so I'll try to demystify it a little bit. I
5 really only have five ground rules, which make for an
6 easier process.

7 The first is please try to avoid speaking over
8 me or any of the lawyers, you know, your lawyer at this
9 table or Mr. Syverson who is on the phone. And that's
10 only because the court reporter can only record one
11 thing at a time. So here is how the flow will go. I'll
12 ask a question, and then your lawyer will be able to
13 object to my question, and then you'll be able to
14 provide your answer. So if you can keep that sequence,
15 that will help.

16 And for my part, I'll try not to cut you off
17 and let you finish your answer before I ask another
18 question. For your part, it would be great if you don't
19 answer until I've completed the question. Does that
20 make sense?

21 A. Yes, it does.

22 Q. The second ground rule is that -- and you're
23 already off to a good start, but please try to answer
24 every question with an audible response, like a yes or a
25 no, because uh-huhs or huh-uhs don't really translate

1 well on the transcript. Is that okay?

2 A. Correct.

3 Q. And third is that we're entitled to your best
4 testimony today, and that includes your best estimates
5 or approximations. Now that can be a little bit tricky
6 for folks who aren't lawyers, so there's a difference
7 between an estimate and a guess. So as an example, if I
8 were to ask you how much money you have in your pocket,
9 while you may not know the exact number, you may be able
10 to estimate roughly how much money you have in your
11 pocket because you probably put the money in your pocket
12 yourself, you have a good idea how much money you took
13 out of the bank, how much you spent, and you have a
14 certain amount of money in your pocket. So that's an
15 estimate. But if I were to ask how much money I have in
16 my pocket, because you haven't seen my wallet, anything
17 you say would be a pure guess. So you haven't seen the
18 contents of my wallet. You have no point of reference
19 of what's in my pocket. So that would just be a wild
20 guess. So do you understand the difference --

21 A. I do.

22 Q. -- and distinction?

23 MR. BROOKNER: And I object to that
24 instruction.

25 MR. KHAN: Okay.

1 Q. (BY MR. KHAN) So I don't want wild guesses.
2 I just want best estimates.

3 A. (Witness nods head.)

4 Q. And the fourth ground rule is we won't be here
5 for very long. This is a shorter deposition. And so --
6 but you can take a break at any time you want. That's
7 totally up to you. The only caveat is that if there's a
8 question pending, you have to answer it and then you can
9 take a break. Is that okay?

10 A. Yeah.

11 Q. And finally, it's my job to ask questions that
12 you can understand. So if you don't understand
13 something, which is entirely likely at some point this
14 morning, just let me know and I'll try to rephrase it.
15 Is that okay?

16 A. Sounds good.

17 Q. I have to ask this question. Are you under
18 the influence of any medications that could affect your
19 testimony today?

20 A. I am taking pain medication, yeah.

21 Q. Okay. I don't need to know all the detail,
22 but will that medication in any way impact your ability
23 to testify truthfully today?

24 A. It doesn't.

25 Q. Okay. So I would like the court reporter to

1 please mark this document as an exhibit.

2 (Exhibit 9 marked.)

3 Q. (BY MR. KHAN) And it's marked as Exhibit 9,
4 continuing the numbering from the deposition previously.
5 And this is a copy of the subpoena that was issued to
6 you. If you would take a moment to review that. So
7 have you seen the document before?

8 A. Yes, I have.

9 Q. And what does this appear to be to you?

10 A. What do you mean?

11 Q. What is it? What is the document, as you
12 understand it?

13 A. It requests for me to show up for this
14 deposition and to provide you with the documents
15 necessary.

16 Q. Right. And in Attachment A, which is, I
17 guess, marked Exhibit A, there are a list of
18 instructions and then 12 requests for production.

19 A. Yes.

20 Q. Did you review that?

21 A. Yes.

22 Q. And have you searched for all of the documents
23 that are included in here?

24 A. Yes, I did.

25 Q. Okay. I just wanted to get a little bit of an

1 understanding of the search. Where did you search for
2 these documents?

3 A. My communications were through Facebook and
4 e-mail, so that's what I provided.

5 Q. When you say your communications, what are you
6 referring to?

7 A. E-mails and exchanges with Cassidy.

8 Q. Okay.

9 MR. BROOKNER: Let me just state. We did
10 provide the documents via e-mail and hard copy this
11 morning. I want to note that one of the e-mail chains,
12 the very first communication, is a lawyer client
13 communication that does not have any third parties on
14 it. Rather than have to spend time and energy redacting
15 or creating a log, we just left it there. So -- but
16 that should not be deemed a waiver of any of the
17 attorney/client privilege.

18 MR. KHAN: You're referring, Jason, to an
19 e-mail that you had with your client?

20 MR. BROOKNER: That's correct.

21 MR. KHAN: Okay.

22 MR. BROOKNER: The bottom of the chain is
23 an e-mail between, I think, you and I or maybe me and
24 Erik.

25 MR. KHAN: Okay.

1 MR. BROOKNER: But there is -- no, it was
2 with you and I, because it was about the subpoena. And
3 it was just my direction to Rick and Adriana about what
4 to do and when to do it, but that is not to be construed
5 as a waiver of the privilege by any mean.

6 MR. KHAN: Okay. Understood.

7 Q. (BY MR. KHAN) And I did receive those
8 documents this morning from your counsel. Just going
9 through each of these, you had mentioned that you had
10 searched for communications via Facebook and e-mails
11 between you and Cassidy. That's request number 1, if
12 you can turn to --

13 A. Yes.

14 Q. -- page 4 of the subpoena.

15 And did you also review requests 2 through 12,
16 which ask for different communications and documents?

17 A. I did.

18 Q. And in so reviewing, for example,
19 communications with PPC Claim, communications with Erik
20 Syverson, Scott Lesowitz, et cetera, the areas in which
21 you searched for include your e-mails and your Facebook
22 messages?

23 A. Correct. I never communicated with anybody
24 else.

25 Q. Okay. So those are the only two means you

1 communicated?

2 A. Correct.

3 Q. Okay. In the course of reviewing this and
4 searching for documents, did you speak to Rick Hutton?

5 A. Yeah.

6 Q. And who --

7 A. Yes, I did.

8 Q. Who is Rick Hutton?

9 A. He works with me. He's the president of the
10 company and also my husband.

11 Q. Okay. How long has he been president of the
12 company?

13 A. Since the opening, 12 years, 13 years.

14 Q. And do you understand that he also received a
15 separate subpoena with similar document requests?

16 A. I do.

17 Q. Did you speak to anyone else at InLight -- is
18 it okay if I refer to your employer as InLight --

19 A. Yes.

20 Q. -- just as a shorthand?

21 A. Yes.

22 Q. Did you speak to anyone else at InLight in
23 preparing to respond to this subpoena?

24 A. No, I didn't.

25 Q. And on that point, what did you do to prepare

1 for today's deposition?

2 A. Just looked at the documents that were
3 requested, went through the communications.

4 Q. Okay. And just -- did you speak to your
5 lawyer in preparation for this?

6 A. Yes, I did.

7 Q. And I don't want to know what you spoke about.
8 I just want -- and how many times did you meet him prior
9 to today's deposition?

10 A. A couple of times maybe.

11 Q. Okay. And how long -- approximately how long
12 did you meet with your lawyer in preparation for --

13 A. About an hour.

14 Q. Okay. And did you speak to anyone else other
15 than your lawyer in preparation for the deposition?

16 A. No, I didn't.

17 Q. You spoke to Mr. Hutton?

18 A. Uh-huh.

19 Q. Okay. And for -- approximately how long did
20 you speak to him specifically about preparing for this
21 deposition?

22 A. To Rick?

23 Q. Yeah.

24 A. A couple of hours.

25 Q. Okay. Did you speak to Mr. Syverson --

1 A. I did not.

2 Q. -- the lawyer to the defendants in the case?

3 A. I did not.

4 Q. At any point in time?

5 A. Huh-uh.

6 Q. Okay. And did you speak to anyone at
7 ReachLocal in preparation --

8 A. Well, I take that back. The first time
9 Mr. Syverson called, I answered the phone.

10 Q. Okay.

11 A. And when he mentioned this was a legal issue,
12 then I passed the phone call to Rick.

13 Q. Do you remember when he called you?

14 A. I do not. I will say maybe two, three months
15 ago, but that will be just a total guess.

16 Q. Okay. And when he called you, you picked up
17 the phone. And how did he introduce himself?

18 A. I honestly do not recall. I wasn't paying
19 much attention to -- I didn't think it was going to be a
20 big issue at the time, so I just -- you know, he
21 referred to something with ReachLocal, I believe, and he
22 say something about a legal matter. So I just say,
23 well, let me let you --

24 Q. Did you understand him to be a lawyer when he
25 called you?

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1 A. I would say no.

2 Q. Okay. So he didn't introduce himself as a
3 lawyer?

4 A. He may have. I was just not, you know --

5 Q. Okay. Did he say that he was affiliated with
6 ReachLocal in any way?

7 A. I believe that ReachLocal was mentioned, but
8 there was an issue between ReachLocal and PPC Claim
9 something.

10 Q. Okay.

11 A. Something of a legal matter that I just didn't
12 want to have anything to do with, so I put the right
13 person on the phone.

14 Q. Right. No, I understand. I just wanted to
15 ask did he say that he's representing ReachLocal?

16 A. I would say no. I mean, I couldn't tell you
17 100 percent that that is true, so I would say no.

18 Q. Okay. And did he say he's representing Kieran
19 Cassidy?

20 A. I can't tell you that either. I --

21 Q. Did he say he was representing --

22 A. -- assumed it was a legal matter, but --

23 Q. Did he say he was representing PPC Claim?

24 A. I couldn't --

25 Q. Okay. Did he mention Mr. Cassidy or PPC Claim

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1 in that phone call?

2 A. I believe that he did because that was
3 probably why I decided to put Rick on the phone.

4 Q. Okay. How long did you speak to him?

5 A. No more than two minutes probably.

6 Q. And then you contemporaneously put Rick on the
7 line?

8 A. Uh-huh.

9 Q. Okay. And do you know approximately how long
10 Rick spoke for him -- spoke with him, rather?

11 A. Not too long, but I couldn't tell you.

12 Q. Okay. At the point you transferred the phone
13 to Mr. Hutton, did Mr. Syverson talk to you at all about
14 Kieran Cassidy?

15 A. I couldn't tell you.

16 Q. Okay.

17 A. I just do not recall very well that
18 conversation.

19 Q. Okay. Did you speak to anyone at ReachLocal
20 prior to today's deposition?

21 A. No.

22 Q. Okay. Did you speak to anyone at Compass
23 Point prior to today's deposition?

24 A. When --

25 Q. I'm speaking specifically -- it was a bad

1 question. In preparation for today's deposition.

2 A. In preparation, no.

3 (Reporter clarification.)

4 MR. BROOKNER: Everyone, just let
5 everyone finish before you answer or ask because you're
6 starting to speak over each other.

7 MR. KHAN: Yeah. Thank you.

8 Q. (BY MR. KHAN) So just to ask the question
9 again. So did you -- in preparation for today's
10 deposition, did you speak at all to anyone at Compass
11 Point?

12 A. Do not.

13 Q. Okay. So just to round this out, you spoke to
14 your lawyer, you spoke to Mr. Hutton, and that's it in
15 preparation for today's deposition?

16 A. That is correct.

17 Q. Okay. So I want to talk a little bit about
18 InLight. What is InLight in the business of?

19 A. We manufacture products for the lighting
20 entertainment industry.

21 Q. And where is the company based?

22 A. In Dallas.

23 Q. And is this the only location of the company?

24 A. It is.

25 Q. Okay. And when was it founded?

1 A. 14 years ago. Next year is our 15-year
2 anniversary.

3 Q. Okay. Congratulations.

4 A. Thanks.

5 Q. And you mentioned you are vice president of
6 operations.

7 A. (Witness nods head.)

8 Q. Have you always occupied that position?

9 A. I was a general manager prior to that.

10 Q. Okay. Was that your first position, the
11 founding?

12 A. (Witness nods head.)

13 Q. Okay. For how many years?

14 A. I would say about three years I was the
15 general manager and then moved to vice president of
16 operations.

17 Q. What was the scope of your duties as general
18 manager for InLight?

19 A. Production schedules, client relationships,
20 artwork preparation, shipping.

21 Q. When you say client relationships, does that
22 mean external facing clients or customers of InLight?

23 A. We don't really have -- most of our contact is
24 through e-mail, so basically I'm the interface. When
25 the order gets placed, I receive the orders and prepare

1 them.

2 Q. But what I mean is that you're actually
3 interfacing -- even if it's by e-mail, but you're
4 interfacing with customers and clients?

5 A. Yes.

6 Q. What about actual vendors or third parties who
7 aren't customers with InLight? Is it your
8 responsibility to interface with them?

9 A. I do some of them, not all of them.

10 Q. Okay. When you --

11 MR. BROOKNER: I have a clarification.
12 It seems like we're blending -- I think the original
13 question was about Adriana's duties when she was the
14 general manager as opposed to what they are today in her
15 position as vice president. So --

16 MR. KHAN: I'm speaking about her
17 position as general manager right now. I'll get to the
18 vice president of operations.

19 Q. (BY MR. KHAN) So as general manager, in the
20 few years that you were working as general manager since
21 the founding of the company, what were your job duties?
22 You mentioned a few, and I just wanted -- one of them, I
23 think, was client relationships or managing client
24 relationships, and so my question is what does that
25 mean?

1 A. I basically receive the orders and prepare
2 them and get them ready for production and follow the
3 orders all the way to the end stage where they ship out
4 to clients.

5 Q. Okay. And I wanted to know whether you also
6 service or interact with third parties who aren't
7 InLight customers when you were a general manager?

8 A. A few times I do a little bit of advertising,
9 a little bit of vendors.

10 Q. Okay. So let's talk a little bit about
11 advertising. You worked with advertising companies to
12 help with your business. Is that accurate?

13 A. We have used them in the past.

14 Q. And I meant when you're a general manager --
15 actually, let me step back. Everything you're saying
16 right now as general manager, do you continue to do that
17 as vice president of operations?

18 A. I do.

19 Q. So it's just a different title, but it's
20 largely the same work. Is that correct?

21 A. Yes.

22 Q. Okay. So now the questions I'm going to ask
23 are going to speak broadly to just your role generally.
24 So back to advertising. You said you work occasionally
25 with advertisers?

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1 A. (Witness nods head.)

2 Q. And what specifically -- can you give me an
3 example of the type of work?

4 A. I design ads for the company. So I interact
5 with magazines on artwork specifications, deadlines and
6 that kind of stuff to get them the ads that we need.

7 Q. Okay. And do you work -- have you worked with
8 any outside company to assist with the marketing of
9 InLight Gobos?

10 A. We hire Compass Point for them to manage our
11 online advertising for a period.

12 Q. Okay. So online advertising through a company
13 called Compass Point. Okay. Let me ask you a bit about
14 Compass Point. What is Compass Point, as far as you
15 understand it?

16 A. A third party that does website improvements
17 and advertising management for other companies.

18 Q. Okay. And where is it based?

19 A. Dallas.

20 Q. Okay. And how did you come to learn of
21 Compass Point?

22 A. They're two doors down from our building.

23 Q. I see. Okay. When did you first learn of
24 Compass Point?

25 A. A couple of years ago, I think.

1 Q. Okay. Did you -- prior to Compass Point, did
2 you work with any outside vendor for marketing of
3 InLight?

4 A. Online you mean?

5 Q. Let's start with online.

6 A. No. I was managing the Google AdWords
7 campaign myself.

8 Q. Okay. So you say you have a Google AdWords
9 campaign. Is that something that's an important part of
10 InLight's business?

11 A. It is advertising, so, yeah.

12 Q. What does that mean, Google AdWords campaign?

13 A. Basically when people search for products
14 related to our industry, then we want them to find our
15 company.

16 Q. Okay.

17 A. So we create ads to try to get people to visit
18 our website.

19 Q. So you're responsible for most of that work?

20 A. I do. Yeah, I am.

21 Q. Okay. And you still are?

22 A. Yes. We really don't pay as much attention to
23 it as we should, but, yes, I am the person in charge of
24 that.

25 Q. Okay. And with respect to Compass Point, they

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1 were -- did you actually hire them?

2 A. No.

3 Q. Did --

4 A. Rick.

5 Q. -- Mr. Hutton?

6 A. (Witness nods head.)

7 Q. Did you first learn of them or Mr. Hutton?

8 A. I believe together --

9 Q. Okay.

10 A. -- we have a talk with Matt a long time ago
11 about what they could do to improve our website and do
12 the advertising part, and we decided to give them a try
13 on the Google part, not the website part.

14 Q. Okay. And by Matt, you mean Matt Ramsey?

15 A. Matt Ramsey.

16 Q. Okay. And does -- InLight has a social media
17 presence. Correct?

18 A. Yes.

19 Q. And define that presence.

20 A. We don't really do much of social media. We
21 do have a FaceBook account, a Twitter account.

22 Q. Okay. Let's start with Facebook. How active
23 is that account? How often do you use it?

24 A. Not very much. Not very active.

25 Q. Okay. So by that do you mean like do you not

1 check it daily?

2 A. I check it, of course.

3 Q. Okay.

4 A. But we don't post, and we don't use it --

5 Q. Okay.

6 A. -- as advertising as much.

7 Q. Do you interact with customers by Facebook?

8 A. If I receive requests, yes, I do.

9 Q. Okay.

10 A. We don't reach out to them, but if they reach
11 out to us, we'll, of course, respond to that.

12 Q. Do you work with any third party vendors via
13 Facebook?

14 A. No.

15 Q. Do they communicate with you via FaceBook?

16 A. No.

17 Q. How about Twitter?

18 A. I honestly haven't checked our Twitter account
19 in years. We have it, but it's not active.

20 Q. So if you're going to have a communication or
21 an interaction on Facebook, it's typically client
22 facing?

23 A. It will most --

24 Q. Okay.

25 A. -- yeah, likely be that.

1 Q. Okay. Back to Compass Point, did you enter
2 into a contract with Compass Point at any point in time?

3 A. You will have to ask Rick that question. I
4 would imagine so, but I'm not sure.

5 Q. I'm sorry. I would have to ask?

6 A. Rick.

7 Q. Oh, ask Rick the question. I'm sorry. I
8 didn't catch that.

9 And do you know what you hired Compass Point
10 to do?

11 A. They want us to give them a try and see if we
12 can get any more business through their online
13 advertising.

14 Q. And what specifically would they be doing for
15 you?

16 A. Doing -- managing our advertising online
17 through, I believe, Google, Yahoo! and another search
18 engine. I can't remember what it was.

19 Q. Was it Bing?

20 A. Possibly.

21 Q. At some point in time you learned that InLight
22 hired Compass Point. Is that right?

23 A. Yeah, I was aware that we were looking into
24 it, and we did.

25 Q. Okay. And you just don't know whether there

1 was a contract or not?

2 A. (Witness shakes head.)

3 Q. Okay. And that was approximately two years
4 ago?

5 A. I believe we were on a monthly --

6 Q. Okay.

7 A. -- basis, but I can't tell you that for sure.

8 Q. Okay. With respect to Compass Point, would
9 Mr. Ramsey or anyone else at Compass Point actually tell
10 you about specific products to use?

11 A. I don't believe so.

12 Q. Okay. So they would just try to develop ways
13 to optimize --

14 A. We just caused the search words that we
15 thought the word would give us the more benefit, and we
16 look into the advertising that they created for the
17 words and discussed if they were appropriate. So we
18 discussed the campaign.

19 Q. Do you know approximately how much -- well,
20 let me unpack this a bit. How frequently do you use
21 Compass Point's services?

22 A. It was, like I say, in a monthly base, they
23 have a budget to use in the monthly base.

24 Q. Like a budget spend?

25 A. Correct.

1 Q. Okay. Do you know approximately how much your
2 budget spend has been over the course of these last few
3 years?

4 A. I believe it was \$1,000 a month.

5 Q. Okay.

6 A. And then we will pay an additional fee to
7 Compass Point marketing to analyze that data.

8 Q. So is it fair to say that you spent
9 approximately \$12,000 a year on Compass Point in
10 addition to fees?

11 A. If we used them for a year, then, yes, that
12 will be correct.

13 Q. But you've testified that you think you've
14 used them for a few years. Correct?

15 A. I believe so.

16 Q. So that would be roughly \$24,000, plus fees of
17 spend that you've paid Compass Point?

18 A. Rick will give you a better answer to that. I
19 just know --

20 Q. Okay.

21 A. -- what the monthly budget was, but not the
22 length of the contract for sure.

23 Q. Okay. And how long have you known Matt
24 Ramsey?

25 A. Probably for as long as I've been working

1 there. I would say, you know, seven, eight years.

2 Q. Seven, eight years. But in official business
3 capacity, just the last few years?

4 A. Correct.

5 Q. Did you have any business relationship in any
6 other context?

7 A. Would you repeat that?

8 Q. Did you have a relationship with him in the
9 business context otherwise other than Compass Point?

10 A. No.

11 Q. Anyone else at Compass Point that you worked
12 with?

13 A. I've talked to a few of his people, you know,
14 and -- when something didn't make sense on the report or
15 whatever, but not, you know, like on a daily basis or a
16 constant basis.

17 Q. So he was your primary point of contact with
18 Compass Point?

19 A. (Witness nods head.)

20 And then he will -- if he wouldn't know the
21 answer, then he will refer us to somebody else to
22 discuss it.

23 Q. Okay. Have you ever heard of a company called
24 ReachLocal?

25 A. Yeah.

1 Q. What is ReachLocal?

2 A. I believe it's the company that managed the
3 advertising, that Compass marketing uses to manage our
4 advertising.

5 Q. So you're saying that ReachLocal is the
6 company Compass Point uses to manage your advertising?

7 A. Correct.

8 Q. InLight's advertising?

9 A. Correct.

10 Q. Okay. So help me understand that. So Compass
11 Point has a separate relationship with ReachLocal, and
12 then it tells you that ReachLocal products can be
13 beneficial for InLight. Is that accurate?

14 A. The reason why I know it was ReachLocal is
15 because we would receive two different bills, one from
16 ReachLocal on the advertising and one for Compass
17 Marketing on the -- analyzing the data.

18 Q. Okay.

19 A. I don't recall if we discussed with Matt
20 Ramsey what Reach was doing exactly.

21 Q. Okay. So -- but is it fair to say that
22 Compass Point was using ReachLocal for advertising
23 services for your company?

24 A. Yes.

25 Q. Okay. And with respect to evaluating the data

1 or evaluating advertising data, that's something Compass
2 Point was doing directly?

3 A. I believe so.

4 Q. Okay. You said you would receive two bills.
5 Would the bills come to you?

6 A. I was copied.

7 Q. Okay. And when you say you received a bill
8 directly from ReachLocal, it had ReachLocal's logo on
9 it?

10 A. I'm very positive, but I can't tell you
11 100 percent for sure.

12 Q. Okay. Did it have any point of contact
13 written on the bill from ReachLocal?

14 A. I can't tell you.

15 Q. Okay. Did you ever speak to anyone at
16 ReachLocal about the account?

17 A. I don't believe so.

18 Q. Okay. So you had no direct communications
19 with ReachLocal with respect to the advertising that
20 they were doing for you?

21 A. As far as I know, yeah, I have not.

22 Q. Okay. Do you know if Mr. Hutton has?

23 A. I don't believe so, but I couldn't tell you.

24 Q. So you knew that Compass Point had a
25 relationship with ReachLocal and InLight was using

1 ReachLocal products. Correct?

2 A. Yes, that's an assumption.

3 Q. But you had no relationship with --

4 A. Directly with --

5 Q. -- ReachLocal directly?

6 A. Excuse me. Directly with Reach, I did not
7 have any relationship.

8 Q. Do you know of anyone who works there
9 currently who's managing the InLight -- or I know
10 InLight is no longer using ReachLocal products. But
11 when it was, do you know anyone at ReachLocal who
12 Mr. Ramsey was working with?

13 MR. BROOKNER: Objection to the form.

14 Q. (BY MR. KHAN) It was a bad question. Let me
15 try again.

16 Did you work with anyone directly at
17 ReachLocal about advertising or analysis of data for
18 your company?

19 A. I didn't.

20 Q. Okay. Did Mr. Hutton?

21 A. I do not know.

22 Q. Okay. And did Mr. Ramsey ever communicate to
23 you conversations he had with ReachLocal?

24 A. I don't believe so. I don't recall any.

25 Q. Okay. So your -- I just want to get your

1 complete understanding of ReachLocal. So you understand
2 it to be a company that Compass Point uses to help
3 manage the advertising of InLight. Correct?

4 A. Correct. A third party account, yeah.

5 Q. Third party account you call it. Okay.

6 Do you know anything else about ReachLocal,
7 its business, its operations?

8 A. I don't know.

9 Q. Do you know where it's based?

10 A. I do not.

11 Q. Do you know if it has a Texas presence?

12 A. I do not.

13 Q. Okay. Have you ever heard of someone by the
14 name of Kieran Cassidy?

15 A. Yes.

16 Q. Who is Kieran Cassidy?

17 A. A person who contact the InLight FaceBook
18 account online.

19 Q. A person who contacted the InLight FaceBook
20 account online. Okay. So we'll have to step back and
21 understand that.

22 First, before we get into his contact with
23 InLight, I just want to know do you know who he is?

24 A. I don't.

25 Q. Do you know where he's based?

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1 A. I believe he's in the UK.

2 Q. In the UK. How do you know that?

3 A. Because the information he provided was from
4 the UK.

5 Q. Okay. And do you know a company called PPC
6 Claim?

7 A. I don't.

8 Q. Okay. Have you ever been contacted by a
9 company called PPC Claim?

10 A. I don't recall.

11 Q. You don't recall or you don't know?

12 A. I don't.

13 Q. You --

14 A. I'm very positive I have not been contacted by
15 PPC Claim.

16 Q. By PPC Claim. Okay.

17 But you have been contacted by Mr. Cassidy?

18 A. Correct.

19 Q. Okay. Do you know if Mr. Cassidy has any
20 connection to PPC Claim?

21 A. I don't -- well, I guess from the legal issue
22 in question, I guess, yes.

23 Q. Okay. But apart from the legal issue --

24 A. Before --

25 Q. -- do you have any understanding that Cassidy

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1 was representing PPC Claim in any way?

2 A. No.

3 Q. Did he say he was representing PPC Claim --

4 A. No.

5 Q. -- in any way to you?

6 Okay. When was the first time that

7 Mr. Cassidy -- well, did you ever speak to Mr. Cassidy
8 directly?

9 A. No.

10 Q. Over the phone?

11 A. I did not.

12 Q. Did you ever interact with him over e-mail?

13 A. No.

14 Q. Did you ever interact with him over Twitter?

15 A. No.

16 Q. And did you ever interact with him over
17 FaceBook?

18 A. Yes.

19 Q. And when was that?

20 A. March 2nd, I believe.

21 Q. Prior to March 2nd did you have any
22 interactions with Mr. Cassidy?

23 A. I didn't.

24 Q. So is it fair to say that his communication to
25 you was the first you ever heard of him?

1 A. That is correct.

2 Q. First interaction you ever had with him?

3 A. Yes.

4 MR. KHAN: I would like the court
5 reporter to mark this document as Exhibit 10.

6 (Exhibit 10 marked.)

7 Q. (BY MR. KHAN) Take a moment to review it.
8 It's a six page document.

9 A. I haven't looked at this link in a while, but
10 it seems correct, the raw data behind ReachLocal.

11 Q. I'll be asking questions about the document.
12 I just want you to take a look at it.

13 A. Yes, I recognize this.

14 Q. When you're ready, I'll ask a few questions.
15 Thank you.

16 What is this document?

17 A. My communication with Matt Ramsey from Compass
18 Point.

19 Q. Okay. So your communication with Matt Ramsey
20 from Compass Point. Is that what is referred to in the
21 first page? Is that the first page of this document?

22 A. Yes.

23 Q. Okay. And is this an e-mail from you to
24 Mr. Ramsey on Wednesday, March 2nd at 9:56 a.m.?

25 A. Yes, it is.

1 Q. And Matt Ramsey's e-mail is
2 Matt@GetPointed.com?

3 A. That's correct.

4 Q. Matt works for Compass Point?

5 A. Correct.

6 Q. And Compass Point was managing online
7 marketing for InLight. Correct?

8 A. Correct.

9 Q. At this time for how long had Compass Point
10 been managing InLight's online presence?

11 A. I don't remember exactly. Rick will answer
12 that more accurately.

13 Q. Is it fair to say that you were already in
14 business with Compass Point at this point?

15 A. We were doing business with Compass Point --

16 Q. In 2015 did you have a relationship with
17 Compass Point or did you do business with Compass Point?

18 A. I believe so.

19 Q. So at this point in time you had a preexisting
20 relationship with Compass Point. Correct?

21 A. Yes.

22 Q. Okay. And the subject line says ReachLocal.
23 Do you see that?

24 A. Uh-huh.

25 Q. Okay.

1 MR. BROOKNER: Let me just remind you.
2 Take a minute before you answer to let counsel finish
3 the question so we have a clean record. Okay?

4 THE WITNESS: Got it.

5 Q. (BY MR. KHAN) I think I asked this earlier,
6 but I want to get your best approximation. When did
7 InLight first start using ReachLocal products?

8 MR. BROOKNER: Objection. Asked and
9 answered. And you can answer if you remember.

10 A. I don't.

11 Q. (BY MR. KHAN) Okay. And do you know when
12 InLight stopped using ReachLocal products?

13 A. Yeah.

14 Q. Okay.

15 A. We had discussed stopping the campaign during
16 the slow time for us, which is the summertime, so I
17 believe we were going to start April.

18 Q. April of 2016. Correct?

19 A. Correct.

20 Q. Okay. So turning to this e-mail, the first
21 line says, Hi Matt, I hope you're doing well. And I
22 want to unpack portions of this. The first part you
23 say, I received the attached message yesterday. Is that
24 correct?

25 A. Correct.

1 Q. In the -- on page 2, there is a screenshot of
2 what appears to be a message on FaceBook?

3 A. Correct.

4 Q. And on the top it says Kieran Cassidy.

5 A. Uh-huh.

6 Q. Does this refresh your recollection that this
7 is the message that Mr. Cassidy sent you for the first
8 time?

9 MR. BROOKNER: Objection, to the extent
10 it mischaracterizes the testimony as her having to
11 recall anything or not recall it. But you can answer.

12 A. This is the first time I communicated with
13 Kieran Cassidy.

14 Q. (BY MR. KHAN) Okay. And this InLight Gobos
15 right in the middle, that's your FaceBook logo and
16 FaceBook page for the company?

17 A. Yes, it is.

18 Q. And you manage this. Correct?

19 A. Yes, I do.

20 Q. Anyone else manage this?

21 A. We have some other people that have access to
22 it as administrators, yes.

23 Q. The message -- it has a timestamp. It doesn't
24 have a date stamp, although your e-mail says I received
25 the attached message yesterday.

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1 A. (Witness nods head.)

2 Q. So I just want to clarify. Would this message
3 have been received on Tuesday, March 1st? So if you can
4 turn, Ms. Hutton, to page -- the first page, do you see
5 in the e-mail it says, I received the attached message
6 yesterday?

7 A. (Witness nods head.)

8 Q. So my question is is this the attached message
9 to which you're referencing?

10 A. Yes.

11 Q. So would that have been received then
12 yesterday, meaning March 1st?

13 A. I believe that's correct.

14 Q. Okay. And 12:59 p.m. is the time you would
15 have received the message?

16 A. I believe that's the time he sent it --

17 Q. Okay.

18 A. -- because of the time difference.

19 Q. Yes, you're right. You're right.

20 A. So --

21 Q. That's correct. So he sent -- Mr. Cassidy
22 sent the message at 12:59 p.m.?

23 A. (Witness nods head.)

24 Q. Do you remember when you received the message?
25 That same day, I assume?

1 A. That -- whatever that day was in the morning.
2 I usually check my e-mails and my FaceBook, so --

3 Q. Okay. Understood. So in this message he
4 says, Hello. And you respond, Hi Kieran, How can we
5 help you? Did you -- at this point of the conversation
6 in this FaceBook chat -- I guess it's a dynamic chat --
7 did you understand him to be a customer, potential
8 customer of InLight?

9 A. That's what I thought.

10 Q. Okay. And the message after you say, Hi,
11 Kieran, how can we help you? he says, I noticed you are
12 using ReachLocal for your marketing. Did you hear about
13 what they did to all the UK businesses? Do you know
14 that they keep most of your money instead of spending it
15 on AdWords?

16 Is this -- did you respond at all to that
17 message?

18 A. Yes, I did.

19 Q. Okay. So is this second page not a complete
20 transcript of the FaceBook message?

21 A. There should be more.

22 Q. Okay. Well, your counsel produced some
23 documents today, so let me take a look. Just bear with
24 me a moment.

25 A. Uh-huh.

1 Q. There doesn't appear to be any further
2 message.

3 A. There should be another screenshot when I ask
4 him if he had any proof, and that's where he send the
5 link to the article that's attached to this.

6 Q. Okay. Well, I'll get to that in a moment, but
7 with respect to this -- just this message, which is the
8 message that you received initially, this is the full
9 extent of the communications you had with him that day?

10 A. This page?

11 Q. Yes.

12 A. I respond asking him for proof.

13 Q. Okay. So there is a message after he sent
14 this one where you asked him for proof?

15 A. Correct.

16 Q. Would that be a FaceBook -- you asked him --

17 A. Through FaceBook, yes.

18 Q. And I don't see that message here. I haven't
19 seen it in the records that your counsel has produced or
20 that's in your possession, but is it safe to assume that
21 the question that you asked was can you provide proof or
22 would you provide proof?

23 A. I believe my exact words were, Do you have any
24 proof?

25 Q. Do you have any proof?

1 And that is consistent with your e-mail here
2 on the first page where you say, I asked him if he had
3 any proof, and meaning you asked Mr. Cassidy. Correct?

4 A. (Witness nods head.)

5 Q. Okay. We'll talk a little bit about the proof
6 that he provided in a bit. When you received the
7 message from Mr. Cassidy that's here on page 2, what did
8 you make of this message?

9 A. I just was curious to see what he had to say.
10 At this point I didn't know what he was talking about,
11 so I just wanted to hear what it was.

12 Q. Okay. And did you -- did you think that he
13 was a customer at this stage?

14 A. No. At this point --

15 Q. Okay.

16 A. -- I figured he was not a customer, potential
17 customer.

18 Q. I understand. What did you figure he was?

19 A. Somebody that had some issues with ReachLocal
20 probably.

21 Q. Someone who had issues with ReachLocal. Okay.
22 And why do you say that?

23 A. Because somebody is talking bad about that
24 company, so --

25 Q. Okay. So you understood this message that

1 he's talking bad about ReachLocal?

2 A. Uh-huh.

3 Q. Okay. Why do you say that?

4 A. Saying that they're keeping the money instead
5 of using it for AdWords.

6 Q. Okay. And at this point you understood who
7 ReachLocal was?

8 A. Yeah.

9 Q. And you understood them to be working with
10 Compass Point. Correct?

11 A. Yeah.

12 Q. And you understood that they were managing
13 InLight's online presence. Correct?

14 A. Yes.

15 Q. Okay. At this point in time, you had an
16 ongoing campaign with Compass Point?

17 A. (Witness nods head.)

18 Q. And therefore, you had an ongoing campaign
19 with ReachLocal. Correct?

20 A. (Witness nods head.)

21 Q. And at this point in time, you don't know the
22 exact duration of how long you had had that campaign,
23 but would it be fair to say you had spent thousands of
24 dollars on ReachLocal --

25 A. Probably.

1 Q. -- at this point in time?

2 Okay. You say here, Ms. Hutton, to Matt, I
3 thought you might want to see it. Why did you think
4 that Matt should see both the message on FaceBook and
5 the proof that you asked for?

6 A. Just was kind of a courtesy to his company. I
7 figure he should be aware of what this person was saying
8 about the company he was using.

9 Q. Why did you think he should be aware of it?

10 A. Just as a courtesy. I say, you know, he can
11 make his own decisions, he wants to be using this
12 company for business or not.

13 Q. Okay. When you say it's a courtesy, at this
14 point in time InLight was using ReachLocal products.
15 Correct?

16 A. Yes. We had -- excuse me -- we had already
17 talked to Matt about canceling for the upcoming
18 summertime. So at this point, yes, we did have a
19 relationship, but we have also discussed stopping the
20 campaigns.

21 Q. Okay. Let me step back here. So you
22 mentioned that you had already discussed with Mr. Ramsey
23 at Compass Point about canceling ReachLocal. Let's step
24 back on that. When did you have that discussion?

25 A. That was Rick, again, so I cannot give you an

1 exact time, but I know that at this point we had already
2 made that decision.

3 Q. Okay. And I just want to understand the
4 decision.

5 A. Uh-huh.

6 Q. Are you saying the decision to cancel Compass
7 Point's engagement with your company?

8 A. Correct.

9 Q. And that means to cease all business running
10 any marketing online?

11 A. Correct.

12 Q. And so --

13 A. Business online through them.

14 Q. Through them, yes.

15 A. We went back to our own Google AdWords.

16 Q. Sure. So you're saying prior to March 2nd,
17 you had already communicated with Mr. Ramsey and Compass
18 Point that you were terminating Compass Point's
19 contract. Correct?

20 A. Yes, that is correct.

21 Q. Approximately how long prior to this?

22 A. I can't tell you. That was Rick again.

23 Q. So -- but can you approximate, because at this
24 point in time on March 2nd, you're still communicating
25 with Mr. Ramsey?

1 A. (Witness nods head.)

2 Q. So at this point if they had been terminated,
3 why would you still be communicating with Mr. Ramsey?

4 A. We have discussed terminating it, and I'm very
5 positive they already had a date for when that was going
6 to be terminated, but we still had a relationship at
7 this point.

8 Q. I see. So I just want to understand.

9 A. Uh-huh.

10 Q. So I understand, InLight -- and let me know if
11 I'm stating this incorrectly. InLight had made a
12 decision to stop using Compass Point's services at a
13 future date?

14 A. Correct.

15 Q. And that future date was already determined?

16 A. I'm very positive it was.

17 Q. Okay. And you're saying it was determined
18 before March 2nd?

19 A. That's correct.

20 Q. Do you know if it was determined in February?

21 A. I can't tell you.

22 Q. In January?

23 A. I don't know.

24 Q. Was it determined the year prior?

25 A. (Witness shakes head.)

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1 Q. Okay.

2 A. I do not know the exact date.

3 Q. Did you submit -- did you pay Compass Point at
4 any point in March?

5 A. Pay them?

6 Q. Yeah, pay them for their online presence,
7 because they had not terminated at that point. Correct?

8 A. I would imagine so, but I can't tell you for
9 sure.

10 Q. So did you or Rick -- who was it, was it you
11 or Rick who communicated to Matt that InLight is
12 stopping the Compass Point contract?

13 A. It was Rick.

14 Q. That was Rick. And -- and in so doing, had
15 you lined up a replacement vendor or third party to
16 manage the online presence?

17 A. No, we haven't.

18 Q. Did you make an internal decision within your
19 company that you would manage that yourself?

20 A. That's correct.

21 Q. Was that decision based -- what was that
22 decision based on?

23 A. We were not getting the return that we
24 expected from the money we were spending on their
25 advertising campaign.

1 Q. And you say "they," you're talking about
2 Compass Point?

3 A. Correct.

4 Q. So you're not getting a return on investment
5 from Compass Point. How would you -- what do you mean
6 by return on investment?

7 A. We receive a report, as I mentioned, and we
8 were getting less than 10 calls or contacts a day.

9 Q. Okay.

10 A. And we were spending \$1,000, so we didn't
11 think that was worth it.

12 Q. Okay. So back to the e-mail. So at this
13 point in time on March 2nd, your testimony today is that
14 InLight had already made a decision to terminate the
15 Compass Point contract prior to ever receiving a message
16 from Mr. Cassidy. Is that correct?

17 A. That is correct.

18 Q. Okay. And you base that off of your own
19 personal knowledge or what you understood Mr. Hutton to
20 have said to you?

21 A. What Rick and I have discussed.

22 Q. Okay. So both of you discussed terminating
23 the Compass Point contract?

24 A. (Witness nods head.)

25 Q. So it was very clear in your mind that the

1 contract was being terminated?

2 A. Correct.

3 Q. Okay. Yet, nevertheless, you sent this
4 message from Mr. Cassidy to Mr. Ramsey. And previously
5 you testified you sent it as a courtesy.

6 A. Uh-huh.

7 Q. What was -- what was the purpose of sending it
8 as a courtesy to Mr. Ramsey? What did you hope for him
9 to do with the information?

10 A. I have no hopes of anything. I was just
11 sharing information with a business, company we've used
12 in the past for them to use the information as they see
13 it.

14 Q. You say in this same e-mail that you asked
15 Mr. Cassidy if he had any proof of what he's saying in
16 here. Why did you do that?

17 A. To pass this information to Matt.

18 Q. But what information specifically?

19 A. If he had any proof, then I was going to
20 provide that proof to Matt.

21 Q. So proof of what he's saying in the
22 allegations of what ReachLocal did to the UK businesses.
23 Correct?

24 A. Correct.

25 Q. Proof that ReachLocal spends most of its money

1 instead of spending it on AdWords?

2 A. Uh-huh.

3 Q. So that was the specific proof that you were
4 requesting from Mr. Cassidy?

5 A. (Witness nods head.)

6 Q. Did you not believe his statement when he said
7 it?

8 A. I don't know the person. I didn't know what
9 to believe, so --

10 Q. But you did ask him for proof of it?

11 A. Yes.

12 Q. So you didn't just -- you didn't just forward
13 the information that's contained in these five or six
14 lines. You wanted to actually get from Mr. Cassidy
15 proof of what he's saying, his allegations?

16 A. Yes.

17 Q. And you're saying the purpose of you getting
18 that proof was to pass it along to Mr. Ramsey as a
19 professional courtesy. Is that correct?

20 A. That is correct.

21 Q. Were you at all bothered by what was mentioned
22 in Mr. Cassidy's statement?

23 A. No, not at all.

24 Q. You weren't bothered by the fact that
25 ReachLocal was keeping most of its money instead of

1 spending it on AdWords?

2 A. I didn't know that was the case.

3 Q. If you understood it to be true, you asked for
4 proof. Correct?

5 A. I asked for proof, yes.

6 Q. And you received that proof. Correct?

7 A. (Witness nods head.)

8 Q. And that proof came in the form of the rest of
9 this document. Right?

10 A. (Witness nods head.)

11 Q. Now let's talk about that document. This
12 appears to be a screenshot of three or four pages. This
13 is -- there's a link that you include in your e-mail to
14 Mr. Ramsey. Does this document reflect that link?

15 A. I believe so. I have not looked at this link
16 since I receive it probably, and I didn't really pay
17 much attention to it, so --

18 Q. You did receive this link. Correct?

19 A. Yes.

20 Q. You did review the link. Correct?

21 A. I click on it, yeah, and I --

22 Q. Okay.

23 A. -- browsed through it, but I haven't looked at
24 it since then, I'm saying.

25 Q. Okay. Take a moment to review it now.

1 Are you ready?

2 A. Uh-huh.

3 Q. On the top it says PPC claims. Do you see
4 that?

5 A. Uh-huh.

6 Q. What did you understand that to mean?

7 A. I figured that will be the website where it
8 was coming from.

9 Q. And this was something that was provided to
10 you by Mr. Cassidy. Correct?

11 A. Correct.

12 Q. Does this -- did you understand that PPC Claim
13 was a company that was connected in any way to
14 Mr. Cassidy?

15 A. Did not.

16 Q. So you just understood that Mr. Cassidy sent
17 you this e-mail as proof, but you had no idea that he
18 was in any way connected to PPC Claim?

19 A. That is correct.

20 Q. Okay. And in this e-mail it says the raw data
21 behind the ReachLocal platform. Is that correct?

22 A. Correct.

23 Q. And having read it, is there anything in this
24 document that struck you as worth sharing with
25 Mr. Ramsey?

1 A. I believe the decision was for him to decide
2 if it was worth it or not, so I just forward the
3 information for him. I didn't evaluate it. I didn't
4 consider what it was. I just forward to him for him to
5 decide.

6 Q. Were you wondering about the contents of what
7 Mr. Cassidy said, both in his message and in his -- in
8 this link or e-mail that he sent?

9 A. I didn't.

10 Q. But you read through both the message and the
11 contents --

12 A. I clicked, yeah. I believe I read it, yeah.

13 Q. Did you speak to anyone -- did you speak to
14 Mr. Hutton about this message?

15 A. Yeah.

16 Q. When?

17 A. Once I receive it.

18 Q. Why did you do that?

19 A. Just to let him know what was happening on
20 FaceBook.

21 Q. To let him know what was happening -- what was
22 happening on FaceBook?

23 A. That somebody contact us and it was not
24 business related, but --

25 Q. What specifically did you tell Mr. Hutton

1 about this communication?

2 A. I show him the communication.

3 Q. So you showed him the FaceBook message?

4 A. Uh-huh.

5 Q. Did you tell him that you asked Mr. Cassidy
6 for proof?

7 A. I believe so.

8 Q. Did you show him the proof that you received
9 from Mr. Cassidy?

10 A. That I don't know.

11 Q. Okay. Why did you think Mr. Hutton should
12 know about this?

13 A. Because he owns the company and it's involving
14 FaceBook as well, so just informing him of that.

15 Q. Did you have -- at this point you had
16 previously testified that you already made the decision
17 to let go of Compass Point. Did this information that
18 you received in any way validate your decision?

19 A. No.

20 Q. Did you think it was a good decision because
21 of what's being said about ReachLocal?

22 MR. BROOKNER: Objection to the form.
23 You can answer if you understand the question.

24 A. No, it didn't affect.

25 Q. (BY MR. KHAN) Okay. So you shared this with

1 Mr. Hutton for what purpose?

2 A. Just to let him know that we have received
3 that through FaceBook.

4 Q. Okay. And to not take any further action?

5 A. Oh, yeah -- no. No further action.

6 Q. And did Mr. Hutton respond in any way to your
7 communication?

8 A. I don't believe so.

9 Q. Okay. So he just looked at -- did he review
10 the material?

11 A. I believe so. I don't remember exactly.

12 Q. Did he have any communication with you about
13 following up on the information that's contained in
14 Mr. Cassidy's message?

15 A. I let him know later on that Mr. Cassidy
16 continue to send couple of e-mails through FaceBook and
17 say something about a class action suit or something and
18 that we obviously were not interested, so we just
19 ignored the rest of the messages.

20 Q. Okay. Well, backing up there.

21 A. Uh-huh.

22 Q. I thought the full extent of -- what is the
23 full extent of the communications with Mr. Cassidy?

24 A. This was the full extent of this part. There
25 are more attachments in there where after we received

1 this information from him, I forward it to Matt Ramsey
2 at Compass Point, and he responded to me with a letter
3 explaining who this person was.

4 Q. Okay.

5 A. And I forward that to Mr. Cassidy. And then
6 after that we -- he communicated with us a few times,
7 but we didn't respond to any of his communications.

8 Q. All right. So let's just mark this as an
9 exhibit. This is a document that was produced today by
10 your counsel. This is the only copy I have. I'll try
11 to see if I can pull it up online, but I think I'm going
12 to mark the entire document as Exhibit -- we're on --

13 A. 11.

14 Q. -- 11. And I'll hand it to you, and I'll see
15 if I can get a copy online here.

16 (Exhibit 11 marked.)

17 MR. BROOKNER: I've also given you -- in
18 the PDF e-mail I sent you --

19 MR. KHAN: Yeah.

20 MR. BROOKNER: -- this is in that PDF
21 e-mail. And this, by the way, is also --

22 THE WITNESS: It's not the -- no, it's in
23 the folder, yeah.

24 MR. BROOKNER: Okay. And let me know
25 when you reach a good breaking point to just take a

1 quick five-minute --

2 MR. KHAN: Sure.

3 MR. BROOKNER: -- bathroom break?

4 MR. KHAN: Sure. Right after the lines
5 of question about this --

6 MR. BROOKNER: Sure. Sure.

7 MR. KHAN: -- I think that could work
8 out. If you bear with me, I'm just trying to open the
9 document so I can follow along myself.

10 Q. (BY MR. KHAN) This appears, Ms. Hutton, to
11 be, the first few pages, the same e-mail that was
12 included in Exhibit 10, correct, the e-mail from Matt on
13 Wednesday, March 2nd?

14 A. And then there is the response from Matt to
15 me.

16 Q. Yes. Yes. Okay. So we have gone over the
17 e-mail that you sent him on March 2nd. Moving to page
18 2 -- page -- let's see if we can pull this up here.
19 Mr. Ramsey sends -- this is page 3, I think, of this
20 document. Mr. Ramsey sends you an e-mail dated
21 Wednesday, March 2nd at 4:20 p.m. Right? That's that
22 same day?

23 MR. BROOKNER: Are you talking about
24 Exhibit 11 now?

25 MR. KHAN: Yes, I am.

1 Q. (BY MR. KHAN) And the subject line still
2 concerns ReachLocal. Correct?

3 A. Uh-huh.

4 Q. And there's an attachment. It says, Letter to
5 NA RL clients, version 2. Okay. This e-mail Mr. Ramsey
6 says, Hey Adriana, I talked with Rick about this this
7 morning. What is Mr. Ramsey referring to when he says
8 this?

9 A. The communications from Cassidy. I believe
10 the allegations.

11 Q. Okay. And did you know that he spoke to
12 Mr. Hutton that morning when you sent him this
13 information?

14 A. Yes.

15 Q. Okay. Do you know what they spoke about?

16 A. I believe he basically told him the same thing
17 that he's saying on this e-mail and what's addressed on
18 the letter that was attached to that e-mail.

19 Q. Okay. Do you know why Mr. Ramsey called right
20 away when he received your e-mail?

21 A. No.

22 Q. Okay. Did he call you or did he speak to you
23 at all apart from this e-mail?

24 A. I believe I was unavailable and that's why
25 Rick answered, but --

1 Q. Okay. He says here, I talked with -- all
2 these companies take a cut. Do you know if he's
3 referring to ReachLocal as one of those companies?

4 A. (Witness nods head.)

5 Q. Okay. And he says I talked with him, meaning
6 Rick, about ROIs.

7 A. Uh-huh.

8 Q. Does ROI stand for return on investment?

9 A. Correct.

10 Q. Okay. And then it says, But I logged into
11 ReachLocal this afternoon and, lo and behold, there is
12 already a letter written about this Kieran Cassidy
13 fella. Seems he's bad news. Crazy that he contacted
14 you all the way from England. Do you recall reading
15 that?

16 A. Yeah.

17 Q. How did you react to that information?

18 A. No reaction.

19 Q. Okay. Did you speak to Mr. Hutton about --
20 did you show Mr. Hutton this e-mail?

21 A. Yeah.

22 Q. You did?

23 A. I think so, yeah.

24 Q. Okay. Why did you do that?

25 A. Just to show him what's going on. I like to

1 keep him informed of what's happening.

2 Q. Okay. And did this -- did the information --
3 it sounds like Mr. Ramsey attached a letter, the letter
4 that he's referring to. Do you recall that?

5 A. Yes.

6 Q. And he -- that letter is included --

7 A. Yes.

8 Q. -- in this communication. Correct?

9 A. Yes.

10 Q. Do you remember reading this letter,
11 Ms. Hutton?

12 A. Yes, I browsed through it.

13 Q. Okay. Earlier you said you were just passing
14 along information to Mr. Ramsey. Why did you feel like
15 you needed to read this letter?

16 A. I just honestly browsed through it and copied
17 and pasted and sent it to Cassidy just to finish putting
18 this to bed and just informing people of what the
19 situation was.

20 Q. I see. So you reviewed this information, and
21 you felt it was important to communicate again to
22 Mr. Cassidy the contents of what Mr. Ramsey was
23 conveying?

24 A. Yeah.

25 Q. And what was the contents of what he's

1 conveying? What does this letter summarize to you?

2 A. I think it talks about what PPC Claim had done
3 in the UK and some issues they were having.

4 Q. Okay. So now at this point you understood
5 that Mr. Cassidy was affiliated with PPC Claim?

6 A. Yes.

7 Q. Did you understand from this letter that he
8 had been contacting ReachLocal in the past?

9 A. I don't know if it says it in there. I guess
10 I was aware, but I don't like recall.

11 Q. So based on the information that Matt shared
12 with you, you felt like it was additional information
13 that needed to go back to Mr. Cassidy. Correct?

14 A. Yes. I wanted to be aware of what we receive,
15 and then I was hoping he would stop communicating with
16 us.

17 Q. Why were you hoping he would stop
18 communicating with you?

19 A. I just don't really like spending time on
20 things that are not worth it or related to us.

21 Q. Did you feel the information Mr. Ramsey
22 provided to you was satisfying to you in terms of any
23 concerns you had?

24 A. It honestly didn't matter to me. I mean, I
25 read it. I noticed it was an answer to what the issues

1 and questions were, and I just forward it, but --

2 Q. Okay. So you --

3 A. -- this was a matter of such little importance
4 at that time for me that I just honestly didn't pay much
5 attention to it.

6 Q. But you felt it was important enough to close
7 the loop of communication you had with Mr. Cassidy.
8 Correct?

9 A. Yes.

10 Q. You felt it was important enough to tell it to
11 Mr. Hutton. Correct?

12 A. Yes.

13 Q. You felt it was important to take the
14 information that -- or you felt it was important to
15 convey it to Mr. Ramsey. Correct?

16 A. Yes.

17 Q. And you felt it was important to take the
18 information Mr. Ramsey conveyed to you and share it with
19 Mr. Cassidy. Correct?

20 A. Yes.

21 Q. Okay.

22 MR. KHAN: We can take a break now.

23 THE VIDEOGRAPHER: We are now off the
24 record. The time is 10:23.

25 (Break from 10:22 a.m. to 10:28 a.m.)

1 THE VIDEOGRAPHER: We are back on the
2 record. The time is 10:29. This is tape number 2.

3 Q. (BY MR. KHAN) Ms. Hutton, some of your
4 answers earlier this morning were through head nod. So
5 I would just caution you again that if you can please
6 give an audible yes or no or explanation, just be
7 audible in your responses, that would be very helpful.

8 A. Yes.

9 Q. Thank you.

10 Back to this e-mail chain which is in
11 Exhibit 11, which is an e-mail change between you and
12 Mr. Ramsey over the communications of Mr. Cassidy. I
13 want to again go back to the original e-mail that was
14 sent by you to Mr. Ramsey. And in that e-mail you
15 say -- you forwarded him the information that he might
16 want to see and then you ask for proof and then you
17 provided a link. Did you -- were you intending for
18 Mr. Ramsey to look into this issue?

19 A. That was completely his decision. I just
20 wanted him to be informed.

21 Q. Okay. Did you ever ask him to look into the
22 substance of what Mr. Cassidy was saying?

23 A. I did not.

24 Q. Okay. Do you know if Mr. Hutton did?

25 A. I believe he didn't.

1 Q. Okay. How do you know that?

2 A. Because we didn't have any reasons to look
3 into it.

4 Q. Okay. But you asked for proof from
5 Mr. Cassidy. Correct?

6 A. Correct.

7 Q. And you continued to have an exchange with
8 Mr. Cassidy. Correct?

9 A. Correct.

10 Q. Where you sent him a copy of what Mr. Ramsey
11 forwarded to you. Correct?

12 A. Correct.

13 Q. And then he responded to you with several
14 subsequent messages. Correct?

15 A. Correct.

16 Q. Okay. Why did you feel the need to continue
17 communicating with Mr. Cassidy if you didn't think
18 anything of it?

19 A. I did not respond to his communications
20 afterwards, which kind of shows that I was not
21 interested. I forward to him the response from
22 ReachLocal so he would stop e-mailing us and realize
23 that we were not interested in the issue.

24 Q. When you say you were not interested in the
25 issue, what do you mean by this issue?

1 A. At the end of the e-mails he say there was
2 going to be a lawsuit and he wanted us to be involved,
3 and we were not interested in any of that.

4 Q. Right. I'll get to that.

5 MR. BROOKNER: Can you let the witness
6 finish her answer, please.

7 MR. KHAN: I thought she did.

8 Q. (BY MR. KHAN) But go ahead, sorry. Do you
9 have anything more to add to the answer?

10 A. I forgot now.

11 Q. Okay. We'll get to your last e-mail exchange.
12 I'm not asking about that, Ms. Hutton. I'm asking that
13 you took the information that Mr. Ramsey provided you,
14 and you felt it important enough to send that
15 information to Mr. Cassidy. Is that correct?

16 MR. BROOKNER: Objection to the
17 characterization of what Adriana was or was not doing.
18 She's testified at length that it was for informational
19 and professional courtesy purposes. If you want to use
20 that as being, quote, important, then that's your
21 characterization, not hers.

22 Q. (BY MR. KHAN) You can answer the question.

23 MR. BROOKNER: And you may answer the
24 question.

25 A. Would you repeat the question?

1 Q. (BY MR. KHAN) Yes.

2 I'm just trying to understand why you sent the
3 information Mr. Ramsey sent to you, which was a letter
4 to Mr. Cassidy to continue your communications with him.

5 MR. BROOKNER: Objection to the form.
6 Asked and answered. And you may answer the question.

7 A. I wanted him to stop communicating with us, so
8 I just send him that as a response.

9 Q. (BY MR. KHAN) Did Mr. Cassidy -- was
10 Mr. Cassidy bothering you with these communications?

11 A. I don't think bothering is the right word, but
12 it is annoying.

13 Q. In your experience when you want someone to
14 stop communicating, is it because they're bothering you?

15 A. This was a professional communication towards
16 InLight Company's -- Company, so I just wanted that
17 issue to be resolved and stopped. So I just e-mail him
18 and say, you know --

19 Q. Did you feel like it was a disruption to
20 InLight?

21 A. Not necessarily. It was annoying, but --

22 Q. Why was it annoying?

23 A. I have to take time that I could be spending
24 doing some other things and --

25 Q. Take time doing what?

1 A. Responding to these allegations.

2 Q. But you could have ignored it. Correct?

3 A. Sure, I guess --

4 Q. But you didn't. Correct? So you took time to
5 respond. Correct?

6 A. Yes.

7 Q. You felt it was important enough to respond?

8 A. No.

9 Q. So you responded just because you wanted him
10 to go away?

11 A. To stop.

12 Q. Okay. So you were bothered by his
13 communication?

14 A. Yeah.

15 Q. Okay. And so you felt like giving him --
16 asking him for proof was important to have him stop
17 communicating?

18 A. The reason why I asked him for proof was so I
19 could provide that information to Matt so he would be
20 aware of what the situation was.

21 Q. Okay. Did you hope when you got that proof
22 and you provided it to Mr. Ramsey that Mr. Cassidy would
23 stop communicating with you?

24 A. I would imagine he would stop after receiving
25 my communications saying that ReachLocal was aware and

1 all that information was in there. I was hoping that
2 was going to be the end of it.

3 Q. Let's talk about the message that you gave to
4 Mr. Cassidy. So if you look further along the
5 communication on Exhibit 11, there appears to be a
6 FaceBook message from InLight Gobos.

7 A. Uh-huh.

8 Q. And it appears to be sent on March 2nd?

9 A. Uh-huh.

10 Q. That's the same day you received the
11 communication from Mr. Cassidy. Right?

12 A. Uh-huh.

13 Q. So Mr. Ramsey promptly responded to you with
14 what he understood to be a letter that ReachLocal sent
15 about Mr. Cassidy?

16 A. Correct.

17 Q. Is that right?

18 A. Correct.

19 Q. And you felt it important enough to respond to
20 Mr. Cassidy the same day?

21 A. I had the information. I forwarded it to him
22 when I had it. It was not promptly or not. I just had
23 it, and I just forward it.

24 Q. Okay. And in this response it says here is
25 ReachLocal's response. Do you see that?

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1 A. Uh-huh.

2 Q. So are you cutting and pasting Mr. Ramsey's
3 full response?

4 A. Correct.

5 Q. Why did you feel it important to include the
6 entire letter that Mr. Ramsey sent?

7 MR. BROOKNER: Objection to the
8 characterization. You can answer the question.

9 A. I just wanted to inform this guy what I
10 received.

11 Q. (BY MR. KHAN) Okay. And you had reviewed
12 this entire message before you sent it. Correct?

13 A. I read it, I believe, yeah.

14 Q. Okay. Did you share it with Mr. Hutton?

15 A. I believe so.

16 Q. Okay. Why did you share it with Mr. Hutton?

17 A. I share all the information related to the
18 company with Rick.

19 Q. Did you have a conversation with Mr. Hutton
20 about what's contained in this long message?

21 A. I don't think we discuss it for long. I'm
22 sure we talk about it, but --

23 Q. Okay. Did Mr. Hutton instruct you to send
24 this letter or response to Mr. Cassidy?

25 A. No, he didn't.

1 Q. Okay. Did he ask you to respond in any way to
2 Mr. Cassidy?

3 A. No, he didn't.

4 Q. Did you feel that when you sent this response
5 that would be your last communication to Mr. Cassidy?

6 A. Yes.

7 Q. Why did you feel that?

8 A. I just think there was no -- nothing else to
9 talk about.

10 Q. So you felt like the substance of what was
11 said by Mr. Ramsey had satisfied -- would satisfy
12 Mr. Cassidy?

13 A. I would imagine it will inform him that they
14 were aware of what he was doing and it was incorrect or
15 something related to that.

16 Q. That they were aware that what he was doing --
17 that "they" meaning ReachLocal was aware?

18 A. That he was saying this about ReachLocal and
19 ReachLocal already had a response to what he was saying
20 ReachLocal was doing.

21 Q. Okay. Did you read the part in this message
22 where it says that Mr. Cassidy is a disqualified
23 director in the UK?

24 A. I haven't read this since I first got it.

25 Q. I understand, but you can read it now --

1 A. But --

2 Q. -- so take your time.

3 A. I remember reading that on the -- somewhere
4 else.

5 Q. Do you see it now in what you're reading?

6 A. Yes.

7 Q. Do you see the part where it says the
8 circumstances leading to Mr. Cassidy's disqualification
9 and the compulsory liquidation of two companies he was
10 operating?

11 A. Uh-huh.

12 Q. What did you understand that information to
13 mean?

14 MR. BROOKNER: Objection to the extent it
15 implies she had an understanding. You can answer the
16 question.

17 A. That he was no longer working with these
18 companies.

19 Q. (BY MR. KHAN) That he was no longer working
20 with what company?

21 A. It says here Vehicle Match Services Limited
22 and Vehicle Seller UK Limited.

23 Q. Okay. Did you understand that he had been
24 disqualified to work from that company?

25 A. That's what it says, yes.

1 Q. Okay. And later on it says he failed to keep
2 up-to-date accounting records to explain transactions.

3 Do you see that part?

4 A. Uh-huh.

5 Q. Did you understand in reading this that
6 Mr. Cassidy had been involved in some prior activities
7 that were improper?

8 MR. BROOKNER: I just want to object.
9 You keep using the past tense, did you understand. I
10 think the testimony is that Ms. Hutton hasn't read it
11 since she got it, didn't have an understanding at the
12 time. What you're asking for is her present
13 understanding. If that's wrong, then perhaps you might
14 want to reask it.

15 MR. KHAN: Right. I don't think she
16 testified that she didn't have an understanding of this.

17 Q. (BY MR. KHAN) You read this when it was
18 received. Correct?

19 A. I read it, but I paid very little attention to
20 it. I didn't really read much into it. I just read it
21 as a response and sent it back. I didn't really -- it
22 was not related to me. It was not important for our
23 company at the time, so I just did not pay much
24 attention to it.

25 Q. You're saying it wasn't important for you as a

1 company at the time, yet you forwarded it to
2 Mr. Cassidy. Right, Ms. Hutton?

3 A. Yeah. Yes.

4 Q. So it was important enough that you forwarded
5 it to Mr. Cassidy?

6 A. I forwarded it to him to try to stop him from
7 communicating with us.

8 Q. Because, as you testified earlier, he was
9 bothering you?

10 A. It was annoying to have to communicate with
11 him for something that wasn't business related, yes.

12 Q. Did you think this was not business related,
13 what Mr. Cassidy was saying?

14 A. Yes.

15 Q. Do you think this was unrelated to your
16 business?

17 A. Yes. It was not because at this point we
18 already were not -- excuse me -- planning on not working
19 with ReachLocal in the future, so it didn't really
20 impact us at all at that point.

21 Q. So even though you had spent thousands of
22 dollars with ReachLocal, the information contained in
23 these e-mails and in -- or, sorry, in the messages did
24 not concern you?

25 A. No.

1 Q. Okay. Did it concern Mr. Hutton?

2 A. You have to ask him that question.

3 Q. Did you feel -- did you wonder why you had
4 spent -- did you question why you spent thousands of
5 dollars with ReachLocal?

6 A. No.

7 Q. You didn't -- you didn't review Mr. Cassidy's
8 messages as indicating that perhaps ReachLocal was
9 overcharging its customers?

10 A. No.

11 Q. You didn't understand that ReachLocal was
12 perhaps hiding the margins for how it got paid?

13 A. No.

14 Q. Did you feel that Mr. Ramsey's relationship
15 with ReachLocal -- did you begin to question it or
16 wonder about it in light of these communications?

17 A. No.

18 Q. Okay. Did you -- back to this communication.
19 You testified that you had read it when you forwarded
20 it. You just didn't --

21 A. Uh-huh.

22 Q. You actually pasted it. Correct?

23 A. Uh-huh, copy and paste.

24 Q. You copied and pasted it. Okay. And in this
25 message it appears that this was a letter from

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1 ReachLocal as a company in response to what Cassidy is
2 saying. Correct?

3 A. Uh-huh.

4 Q. Okay. And then Mr. Cassidy responded to you.
5 Correct?

6 A. Uh-huh.

7 Q. He sent you a few messages about continuing to
8 engage about the subject of ReachLocal?

9 A. Yes, that's correct.

10 Q. And he sent a message on March 3rd, the next
11 day, saying send them this?

12 A. Correct.

13 Q. And did you read the message that he sent?

14 A. I did not. Didn't read it. Didn't send it.

15 Q. Did you open the LinkedIn
16 Truth-ReachLocal-UK-entering-administration?

17 A. I did not.

18 Q. Okay. At this point in time, did you want to
19 have Mr. Cassidy stop communicating with you?

20 A. Yes.

21 Q. Why?

22 A. I just didn't want to spend more time writing
23 to him since he wasn't bringing me any business. It was
24 not business related. I just want it to stop.

25 Q. And so you wanted him to cease communications

1 with you. Did you tell him that?

2 A. No. I just didn't communicate anymore.

3 Q. Okay. And did he respond to you in any way
4 subsequent to this?

5 A. No.

6 Q. Okay. Back to the e-mails. Matt Ramsey's
7 e-mail to you on March 2nd, which was the day you sent
8 him the initial message, I think it's on page 3 of this
9 document, where he says, I'll stop by tomorrow or Friday
10 to discuss further, but couldn't believe I found a
11 letter already addressing this guy. At this point he
12 had spoken to Rick. Correct?

13 A. Yes.

14 Q. And did you understand that he was stopping by
15 to discuss the Cassidy allegations?

16 A. We actually discussed something different
17 because at this point, you know, we had already received
18 the letter from him. We were not worried about this
19 issue. So we were discussing some different issues that
20 we were having with our Google AdWords tracking into our
21 website. That's what the following meeting with Matt
22 was about.

23 Q. Okay. So you were actually having ongoing
24 discussions about the services that Compass Point was
25 providing at this time?

1 A. Not really. Google AdWords uses some code to
2 track the visits to people to websites, and the code
3 that was provided by us -- to us was incorrect, and it
4 wasn't tracking the information correctly. So this is
5 something to do with our website and tracking visitors.
6 It didn't have anything to do with ReachLocal at the
7 point.

8 Q. You're saying that the meeting -- the point of
9 this meeting that was being discussed where he's saying
10 I want to stop by tomorrow or Friday to discuss had to
11 do with a technical issue on a Google AdWords?

12 A. Something different, yes.

13 Q. That was the entire scope of that meeting?

14 A. Yeah, that's what we discussed.

15 Q. There was nothing else discussed by Mr. Ramsey
16 about anything else except for the Google AdWords.

17 A. As far as I --

18 Q. Is that your testimony?

19 A. Yeah, as far as I remember, we just discuss
20 that Google AdWords tracking.

21 Q. So when you say "we," it was you and --

22 A. Matt, and I believe there was somebody from
23 Compass Point also that does the tracking for him. I
24 can't remember exactly the name, but it was somebody
25 else from Reach -- I mean, from Compass Point Marketing.

1 Q. So you were having ongoing discussions -- you,
2 meaning the company, were having ongoing discussions
3 with Compass Point about technical issues with the
4 account?

5 A. Yes.

6 Q. And it was your understanding that Compass
7 Point knew that they were being terminated?

8 A. Oh, yes.

9 Q. Okay. Did you communicate to Mr. Ramsey that
10 you were terminating the Compass Point account?

11 A. I didn't. Rick did.

12 Q. And that would be done before March 2nd?

13 A. Yes.

14 Q. Do you recall any e-mail communications saying
15 that?

16 A. No.

17 Q. Do you recall a formal letter being sent --

18 A. No.

19 Q. -- to him about it? Do you recall --

20 A. I believe it was done by phone call.

21 Q. There's another e-mail if you move along the
22 chain. It's written the next day from you to Matt
23 Ramsey. It's dated Thursday, March 3rd. Do you see
24 that?

25 A. Uh-huh.

1 Q. In this e-mail you say, Thanks, Matt. I would
2 prefer to wait until next week to get together.

3 A. (Witness nods head.)

4 Q. Is this the meeting that you were referring
5 to?

6 A. Uh-huh, about the technical issues with the
7 website, correct.

8 Q. And did a meeting go forward --

9 A. Yes.

10 Q. -- with Mr. Ramsey?

11 And in this e-mail you say, I have a few
12 questions for you but need to get my things ready first.
13 What were the questions related to?

14 A. They provide us with a report of the visits
15 from ReachLocal was tracking, and they were not
16 coinciding -- or they were not the same as we were
17 receiving on the website, and we knew the tracking
18 analytics were incorrect. So I needed to get the
19 information from my Google analytics account to show it
20 to him so we can get the code correct and rectify those
21 issues.

22 Q. At this point in time when you received the
23 e-mail, did you ever communicate to Matt and say, Hey,
24 why are you still using ReachLocal?

25 A. No.

1 Q. Did you ever ask him, Hey, ReachLocal has
2 issues from what Mr. Cassidy says. Why did do you still
3 use these guys?

4 A. No, I haven't.

5 Q. Did he take it upon himself to explain to you
6 why he was using ReachLocal?

7 A. No.

8 Q. Did you -- his response to you attached a
9 letter from ReachLocal. Did you understand him to
10 want -- to feeling the need to explain and respond to
11 what Mr. Cassidy was saying?

12 A. I don't know what he feel. I didn't ask for
13 anything. He just provided it.

14 Q. Okay. So you're saying that he sent you a
15 letter and he sent you an explanation about what
16 ReachLocal is doing just as a courtesy from him to you?

17 A. I would imagine.

18 Q. He didn't -- you didn't understand him to have
19 felt the need to provide that information based on
20 anything you asked?

21 A. I wasn't expecting it.

22 Q. You weren't expecting him to respond --

23 A. To have the need to respond, no.

24 Q. Hang on. Let me finish the question.

25 You weren't expecting -- after you sent the

1 e-mail to him showing him proof and a link and what
2 Mr. Cassidy said, did you expect him to respond in any
3 way?

4 A. No, I didn't.

5 Q. Did Rick expect him to respond in any way?

6 A. I don't know what Rick expected, but I don't
7 think so.

8 Q. Okay. So you just sent him the information
9 because you wanted to help Matt?

10 A. Correct.

11 MR. BROOKNER: Objection. It
12 mischaracterizes the testimony. She already testified
13 she sent it to Matt as a professional courtesy because
14 it was one of his people, to keep him posted. That
15 being said, you are free to answer the question.

16 A. Yes, I just forward the information so he will
17 be aware. Nothing else.

18 Q. (BY MR. KHAN) Okay. Did you feel like he
19 should be aware of this information?

20 MR. BROOKNER: Objection. Form, asked
21 and answered. You can answer.

22 A. Yes, he should be aware.

23 Q. (BY MR. KHAN) Why should he be aware,
24 Ms. Hutton?

25 A. Because if that was happening to my company, I

1 would hope somebody to let me know of some issues as
2 well. Just professional courtesy.

3 Q. And you understood that ReachLocal is not
4 Matt's company. Correct?

5 A. Yes.

6 Q. You understood he worked with ReachLocal?

7 A. Yes.

8 Q. You understood ReachLocal did online
9 marketing -- advertising for you at this time?

10 A. Through Compass Marketing. We did --

11 Q. Yes.

12 A. -- not hire ReachLocal directly.

13 Q. Yes. But you understood you were using
14 ReachLocal products at this time?

15 A. I understand Matt was using ReachLocal.

16 Q. And yet the only purpose for you to send the
17 e-mail you sent is just to have an FYI to him so he
18 knows this information exists?

19 MR. BROOKNER: Objection. Asked and
20 answered. You can answer.

21 A. Yes, that is correct.

22 Q. (BY MR. KHAN) Okay. Let's talk about this
23 meeting. When was this meeting?

24 A. With Matt?

25 Q. Yes.

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1 A. I believe it was the following week, but I
2 don't recall an exact date.

3 Q. Okay. And where was the meeting?

4 A. At Compass Marketing offices.

5 Q. Okay. And who attended this meeting?

6 A. Matt Ramsey, I believe one of his employees,
7 and me.

8 Q. One of Matt's employees --

9 A. Correct.

10 Q. -- and you?

11 A. Uh-huh.

12 Q. Did Mr. Hutton attend the meeting?

13 A. No.

14 Q. Okay. Mr. Ramsey had spoken to Mr. Hutton
15 previously on March, I guess, 2nd. Correct?

16 A. I believe so.

17 Q. From the e-mails?

18 Okay. Do you know if he had subsequent
19 conversations with Mr. Hutton?

20 A. I do not know. About the subject, I don't
21 know.

22 Q. Did Mr. Hutton plan to attend the in-person
23 meeting?

24 A. No. This is something that I handle. He has
25 nothing to do with it.



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1 Q. When you say he has nothing to do with it,
2 what do you mean about that?

3 A. He doesn't know how to do analytics or
4 anything Google related, so that's kind of my job.

5 Q. Okay.

6 MR. KHAN: I would like the court
7 reporter to please mark this document as Exhibit 11 --
8 or Exhibit 12, rather.

9 THE WITNESS: 12.

10 MR. KHAN: 12. Sorry.

11 (Exhibit 12 marked.)

12 Q. (BY MR. KHAN) Take a moment to review this,
13 Ms. Hutton. Exhibit 12 consists of the e-mail that you
14 had sent to Mr. Ramsey on March 2nd at 9:56 a.m. that
15 we've been talking about. Right?

16 A. Uh-huh.

17 Q. And above that e-mail is an e-mail from
18 Mr. Ramsey, the subject line forwarding your e-mail to
19 Steven Dollar at ReachLocal. Do you see that?

20 A. Yes.

21 Q. And do you see it's copied to
22 BenLayne@GetPointed?

23 A. Yes.

24 Q. And Ben Layne works for Compass Point.
25 Correct?



1 A. I would imagine so. I don't remember
2 everybody who works there.

3 Q. And do you see in the e-mail where he says,
4 Steven, We've had one customer (who has been with
5 ReachLocal for I'm guessing four to five years) drop
6 ReachLocal completely this week. Another one, below, is
7 questioning continuing with ReachLocal as well. Do you
8 see that?

9 A. Yes.

10 Q. And the another one below refers to InLight.
11 Correct?

12 A. Correct.

13 Q. It's referring to your e-mail as well?

14 A. Yes.

15 Q. At this point in time, Mr. Ramsey has
16 interpreted what you sent him as questioning continuing
17 with ReachLocal. Do you see that?

18 A. I do.

19 Q. And is that correct?

20 A. I'm surprised because at this point he had
21 already been notified that we were not continuing
22 advertising through them, so I don't understand why he
23 will be saying that.

24 Q. So Mr. Ramsey is saying that he's construing
25 your e-mail as questioning continuing with ReachLocal,

1 and it's your testimony that Mr. Ramsey already knew
2 that InLight had terminated the account?

3 A. That is correct.

4 Q. Okay. In your estimation, was Mr. Ramsey
5 mistaken?

6 A. I can't tell why he's saying that, but I am
7 fully aware that he had been notified that we were going
8 to stop doing advertising through Compass Marketing.

9 Q. Could it be that he's reviewing and construing
10 your e-mail that you sent about Mr. Cassidy as wondering
11 about ReachLocal?

12 A. I don't know what he thought. That's -- I
13 can't tell, but it's not the reason why it was sent.

14 Q. Okay. Do you believe it was reasonable for
15 Mr. Ramsey to review your e-mail that you forwarded with
16 proof of a link from Mr. Cassidy as interpreting that as
17 questioning whether InLight wants to continue business
18 with him?

19 MR. BROOKNER: Objection to the extent
20 it's calling for severe speculation as to what somebody
21 else is thinking about an e-mail, but if you have any
22 idea how to answer that question, you can answer it.

23 A. No, I, again, just sent it to him for FYI kind
24 of thing. I don't know why --

25 Q. (BY MR. KHAN) So you're surprised that --

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1 A. -- he interpret it --

2 Q. You're surprised he's interpreted your e-mail
3 this way?

4 A. Yes, especially since he had already been
5 notified that we were not continuing.

6 Q. You did not intend him to review this e-mail
7 as having him -- having it being understood that InLight
8 was questioning ReachLocal?

9 A. Absolutely not.

10 Q. Okay. When you say "absolutely not," what do
11 you mean by that?

12 A. I was just informing him. I was just passing
13 this information along to him, and he had already been
14 notified that we were not doing business with ReachLocal
15 anymore, so --

16 Q. Yet he sent you an e-mail, did he not, where
17 he gave you a letter from ReachLocal responding to your
18 e-mail and also saying in that that Mr. Cassidy has been
19 on an ongoing campaign to discredit ReachLocal.
20 Correct?

21 A. Yes.

22 Q. And he also said that it's crazy that he's
23 doing this all the way from London. You recall that
24 e-mail. Right?

25 A. Yes.

1 Q. In light of that e-mail and in light of the
2 e-mail that you originally forwarded, do you think it's
3 reasonable for Mr. Ramsey to think that InLight, that is
4 you and Mr. Hutton, were wondering about what ReachLocal
5 was doing?

6 A. I can't tell you what he thought about it. I
7 don't think it is.

8 Q. So even though his business partner is
9 ReachLocal and there are allegations against ReachLocal,
10 you don't think it's reasonable for him to wonder that
11 one of his clients is getting nervous?

12 MR. BROOKNER: Objection. Asked and
13 answered, mischaracterization. You can answer.

14 A. We already have decided to not do business
15 with him, so it did not matter at this point.

16 Q. (BY MR. KHAN) Okay. Back to that point about
17 you had already decided. You say that with certainty,
18 but you don't know that there was an actual
19 communication terminating Compass Point, do you?

20 A. I know there is. I just don't know it's in
21 writing because I believe it was a phone call, so I
22 cannot give you a date or anything more specific.

23 Q. You don't believe you made that call, do you,
24 Ms. Hutton?

25 A. I didn't. That was done by Rick. Rick was

1 the person who talked to Matt.

2 Q. Okay. You didn't send an e-mail terminating
3 Compass Point?

4 A. I did not.

5 Q. You didn't send -- you didn't talk to Matt
6 over the phone terminating --

7 A. I did not.

8 MR. BROOKNER: Objection. Asked and
9 answered.

10 Q. (BY MR. KHAN) So when -- last question on
11 this document. When Mr. Ramsey says he believes
12 InLight's questioning whether to continue with
13 ReachLocal, do you believe that statement to be true or
14 false?

15 A. It's his statement. So I don't know what to
16 tell you, but we were not continuing at that point.

17 Q. Just to round out this. Why do you think he
18 would say that if it were not true?

19 MR. BROOKNER: Objection.
20 Characterization, asked and answered. You can answer if
21 you know.

22 A. No idea why he did it.

23 MR. KHAN: Okay. I would like the court
24 reporter to please mark this exhibit as Exhibit 12.

25 THE WITNESS: 13.

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1 MR. KHAN: Or 13. Thank you for
2 correcting my numbers, Ms. Hutton. You're more sharp --

3 THE WITNESS: I've got them here in
4 front.

5 MR. KHAN: Lucky No. 13.

6 (Exhibit 13 marked.)

7 Q. (BY MR. KHAN) Take a moment to review this
8 document. So this is an e-mail that appears to be from
9 Matt Ramsey to Steven Dollar. It's dated March 10th.
10 Do you see that?

11 A. Yes, I do.

12 Q. And in that e-mail on the first line it says,
13 InLight Gobos is coming to our office on Monday to
14 discuss PPC Claim matters. Do you see that?

15 A. I do.

16 Q. Earlier, Ms. Hutton, you testified that the
17 meeting that you were having with Compass Point was to
18 discuss a technical issue with Google AdWords. Correct?

19 A. That is correct.

20 Q. Yet Mr. Ramsey is characterizing a meeting
21 that's happening with you and/or Mr. Hutton with InLight
22 to discuss PPC Claim matters.

23 A. That is not the discussion we had.

24 Q. So why would Mr. Ramsey characterize a meeting
25 that he had with you to discuss PPC Claim matters?

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1 A. I don't know why he did it.

2 Q. So do you believe he was -- he was mistaken in
3 his understanding of what the purpose of the meeting
4 was?

5 MR. BROOKNER: Objection. Asked and
6 answered. She just said she doesn't know. You can
7 answer.

8 A. I don't believe he was mistaken because I
9 brought documentation. We had already established what
10 the meeting was going to be about and --

11 Q. (BY MR. KHAN) Are you surprised -- I'm sorry.

12 A. I'm very surprised.

13 Q. Are you surprised that Mr. -- you're very
14 surprised that Mr. Ramsey believed that the purpose of
15 the meeting was to discuss PPC Claim?

16 A. Yes, I am.

17 Q. Okay. And are you surprised because you had
18 communicated to him that you were terminating Compass
19 Point or InLight had communicated to him that they were
20 terminating Compass Point?

21 A. No.

22 Q. Okay. So why are you surprised then?

23 A. Because the discussion was about a complete
24 different matter, so I don't know why he's talking about
25 this --

1 Q. Okay. Why do you think he would? What would
2 be his purpose of saying the agenda of the meeting is to
3 discuss PPC Claim?

4 A. It would be speculation.

5 MR. BROOKNER: Objection. Asked and
6 answered. She already said she didn't know what he was
7 thinking when he sent that e-mail. You can answer the
8 question, however.

9 A. Yeah, I would be completely speculating if I
10 say something. I don't know what --

11 Q. (BY MR. KHAN) Okay. Fair enough.

12 A few pages in he's responding, Mr. Ramsey is,
13 to an e-mail from Mr. Steven Dollar at ReachLocal. Do
14 you see that? It's the e-mail that says, Hey Gentlemen.

15 A. Uh-huh. It's from Steven to Matt.

16 Q. Yes.

17 A. Okay.

18 Q. That's the one I'm referring to. Have any one
19 of your clients been contacted from PPC Claim and can
20 you tell me which client relationships have been
21 impacted? Do you see that question?

22 A. Yes.

23 Q. I know you had said you lost one client
24 already, but can you tell me who? So in response
25 Mr. Ramsey says, InLight Gobos is coming to our office

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REACHLOCAL vs. PPC CLAIM LIMITED

September 12, 2016

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1 on Monday to discuss PPC Claim matters. Correct?

2 A. Yes, I see that.

3 Q. So is it -- reading this, is it your
4 understanding that Mr. Ramsey is responding to
5 ReachLocal that InLight has been contacted by PPC Claim?

6 MR. BROOKNER: Objection. Asked and
7 answered. You may answer the question, however, if you
8 know.

9 MR. KHAN: I'm actually referring to the
10 second part of the e-mail, Jason, but that's okay. I
11 just was clarifying for you.

12 MR. BROOKNER: Thank you.

13 A. Repeat the question.

14 Q. (BY MR. KHAN) Yeah, I'm sorry. I'll repeat
15 it.

16 With respect to just this e-mail now, not the
17 prior one, but reading it in connection with the prior
18 one, the e-mail says, Have any one of your clients been
19 contacted from PPC Claim? Do you see that?

20 A. Yes.

21 Q. And Mr. Ramsey responds, InLight Gobos is
22 coming to our office to discuss PPC Claim. Correct?

23 A. Yes.

24 Q. And so Mr. Ramsey understood that he's been
25 contacted by InLight with respect to PPC Claim.

1 Correct?

2 A. Repeat that last part, just the last part.

3 Q. So Mr. Ramsey understood in responding to this
4 e-mail that InLight had been contacted by PPC Claim?

5 MR. BROOKNER: Objection to the extent it
6 calls for the witness to speculate on what a third party
7 understood. But if you think you know, you can answer
8 the question.

9 Q. (BY MR. KHAN) I'm just basing it off your
10 reading of the e-mails.

11 A. It seems that that's what he's referring to in
12 the e-mail.

13 Q. Okay. That's all I wanted to know. I think
14 we're done with that document.

15 A. Okay.

16 Q. During the meeting, did Mr. Ramsey ever
17 discuss anything related to Mr. Cassidy?

18 A. As far as I remember, no.

19 Q. Did he ever speak to you after the March 2nd
20 but before the meeting about Mr. Cassidy or PPC Claim?

21 A. I don't believe so.

22 Q. Did he ever speak to Mr. Hutton?

23 A. I do not know.

24 Q. So as far as you understand during this
25 meeting with Mr. Ramsey, the subject of Mr. Cassidy

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1 never came up?

2 A. My meeting with Matt?

3 Q. Yes.

4 A. Correct.

5 Q. And the subject of PPC Claim never came up?

6 A. (Witness shakes head.)

7 Q. And the letter that ReachLocal sent never came
8 up?

9 A. No.

10 Q. Did ReachLocal come up?

11 A. I don't think so.

12 Q. Okay.

13 A. I remember it being a very technical meeting,
14 just --

15 Q. Do you know how long the meeting lasted?

16 A. It shouldn't be more than 45 minutes.

17 Q. Do you know for how long InLight was
18 evaluating whether to terminate its contract with
19 Compass Point?

20 MR. BROOKNER: Objection. Asked and
21 answered. You can answer if you remember.

22 Q. (BY MR. KHAN) The question is about how long
23 you were thinking about it.

24 A. Yeah, I know.

25 MR. BROOKNER: Same objection. Asked and

1 answered. And you can answer it if you remember.

2 A. I don't remember.

3 Q. (BY MR. KHAN) Okay. Was it a decision that
4 came after discussions with Mr. Hutton?

5 MR. BROOKNER: Objection. Asked and
6 answered. You can answer again.

7 A. Yes, Rick and I discussed stopping the
8 campaign.

9 Q. (BY MR. KHAN) Were you unsatisfied with
10 Compass Point's campaign in 2015?

11 A. I would say we had considered the fact that we
12 might not be getting enough return on investment on what
13 we were using for the campaign for a while. I can't
14 give you exact dates and --

15 Q. So I understand your testimony correctly,
16 Ms. Hutton, you're saying that at some point in 2015 you
17 were questioning Compass Point's contract in terms of
18 its return on investment for your business?

19 A. Yes.

20 Q. Okay. Do you believe that Mr. Cassidy's
21 communication to you over FaceBook had any role in
22 InLight's decision to stop using ReachLocal products?

23 A. They did not.

24 Q. Do you believe that Mr. Cassidy's contentions
25 in what he said in those messages that ReachLocal was

ADRIANA HUTTON
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1 hiding its margins, that ReachLocal wasn't pricing
2 correctly its products, impacted in any way whatsoever
3 InLight's decision to stop using ReachLocal products?

4 A. They did not.

5 Q. Did it have any impact on InLight's decision
6 to stop using Compass Point?

7 A. Did not.

8 Q. Okay. What were the full and complete reasons
9 why InLight stopped using ReachLocal products?

10 MR. BROOKNER: Objection. Asked and
11 answered. You can answer it again.

12 MR. SYVERSON: Objection. Beating a dead
13 horse.

14 MR. BROOKNER: That works, too.

15 A. We didn't believe we were receiving a return
16 on investment, a good return on investment. I have
17 managed the campaigns in the past on my own, and we
18 thought we could do it again.

19 Q. (BY MR. KHAN) Do you believe that you may
20 have misled Mr. Ramsey in any way in discussing
21 Mr. Cassidy or PPC Claim?

22 A. I don't think so, because at this point he had
23 already been informed the contract was terminated -- was
24 going to be terminated, so --

25 Q. Yet you're very surprised that he understood

ADRIANA HUTTON
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1 that the meeting he had with you was to discuss PPC
2 Claim?

3 A. Very.

4 MR. BROOKNER: Could can we go off the
5 record for a second?

6 THE VIDEOGRAPHER: We are now off the
7 record. The time is 11:08.

8 (Break from 11:06 a.m. to 11:11 a.m.)

9 THE VIDEOGRAPHER: We are back on the
10 record. The time is 11:12.

11 MR. KHAN: I have no further questions.

12 I'll propose the following stipulations.
13 We'll relieve the court reporter of her duty to maintain
14 the original transcript under the Code. We'll send the
15 original transcript directly to Ms. Hutton's counsel,
16 Mr. Brookner, and he will make arrangements to have
17 Ms. Hutton review the transcript, make any necessary
18 changes or corrections to it and sign the transcript
19 under penalty of perjury within 30 days of receipt.

20 MR. BROOKNER: That's fine.

21 MR. SYVERSON: That's fine. And I have
22 no questions.

23 MR. KHAN: Okay. So stipulated?

24 MR. SYVERSON: So stipulated.

25 MR. BROOKNER: Yes.

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1 MR. KHAN: Thank you, Ms. Hutton.

2 THE VIDEOGRAPHER: We are now off the
3 record. The time is 11:13.

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ADRIANA HUTTON
REACHLOCAL vs. PPC CLAIM LIMITED

September 12, 2016
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CHANGES AND SIGNATURE

WITNESS NAME: ADRIANA HUTTON

DATE OF DEPOSITION: SEPTEMBER 12, 2016

| PAGE | LINE | CHANGE | REASON |
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ADRIANA HUTTON
REACHLOCAL vs. PPC CLAIM LIMITED

September 12, 2016
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1 I, ADRIANA HUTTON, have read the foregoing
2 deposition and hereby affix my signature that same is
3 true and correct, except as noted above.

4
5 _____
ADRIANA HUTTON

6
7 THE STATE OF _____)
8 COUNTY OF _____)

9 Before me, _____, on
10 this day personally appeared ADRIANA HUTTON, known to me
11 (or proved to me under oath or through
12 _____) (description of identity
card or other document) to be the person whose name is
13 subscribed to the foregoing instrument and acknowledged
to me that they executed the same for the purposes and
consideration therein expressed.

Given under my hand and seal of office this
_____ day of _____, _____.

14
15
16 _____
NOTARY PUBLIC IN AND FOR
17 THE STATE OF _____
COMMISSION EXPIRES: _____

ADRIANA HUTTON
REACHLOCAL vs. PPC CLAIM LIMITED

September 12, 2016
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1 STATE OF TEXAS)

2 COUNTY OF DALLAS)

3 I, Julie C. Brandt, a Certified Shorthand Reporter
4 duly commissioned and qualified in and for the State of
5 Texas, Certified Realtime Reporter and a Registered
6 Merit Reporter, do hereby certify that there came before
7 me on the 12th day of September, 2016, at the offices of
8 Gray Reed & McGraw, located at 1601 Elm Street, Suite
9 4600, Dallas, Texas, the following named person, to-wit:
10 ADRIANA HUTTON, who was duly sworn to testify the truth,
11 the whole truth, and nothing but the truth of knowledge
12 touching and concerning the matters in controversy in
13 this cause; and that she was thereupon examined upon
14 oath and her examination reduced to typewriting by me or
15 under my supervision; that the deposition is a true
16 record of the testimony given by the witness.

17 I further certify that pursuant to FRCP Rule 30(e)
18 that the signature of the deponent:

19 [X] was requested by the deponent before the
20 completion of the deposition, and that signature is to
21 be before any notary public and returned to counsel
22 within 30 days from date of receipt of this transcript.

23 [] was not requested by the deponent or a party
24 before the completion of the deposition.

25 I further certify that I am neither attorney or



ADRIANA HUTTON
REACHLOCAL vs. PPC CLAIM LIMITED

September 12, 2016
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1 counsel for, nor related to or employed by any of the
2 parties to the action in which this deposition is taken,
3 and further that I am not a relative or employee of any
4 attorney or counsel employed of any attorney or counsel
5 employed by the parties hereto, or financially
6 interested in the action.

7 CERTIFIED TO BY ME on this the 13th day of
8 September, A.D., 2016.

9
10
11 
12

13 Julie Brandt, CSR, RMR, CRR
14 Texas CSR No. 4018
Expiration date: 12/31/16
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Exhibit 3

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1 UNITED STATES DISTRICT COURT
2 CENTRAL DISTRICT OF CALIFORNIA
3

4 REACHLOCAL, INC.,) Case No.
5 Plaintiff,) 2:16-cv-1007
6 vs.) R-AJW
7 PPC CLAIMS LIMITED AND)
8 KIERAN PAUL CASSIDY,) Volume I
9 Defendants.) Pages 1-271
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14 DEPOSITION OF SHARON ROWLANDS

15 TAKEN ON

16 TUESDAY, AUGUST 2, 2016
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24 Reported by: BRENDA R. COUNTZ, RPR-CRR

25 Job No: 110250

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Deposition of SHARON ROWLAND taken at
the law firm of Raines Feldman LLP, 9720 Wilshire
Boulevard, 5th Floor, Beverly Hills, California,
on Tuesday, August 2, 2016, before Brenda R.
Countz, CSR No. 12563.

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2 PAUL CASSIDY:

3
4 RAINES FELDMAN

5 BY: ERIK SYVERSON, ESQ.

6 SCOTT LESOWITZ, ESQ.

7 9720 Wilshire Boulevard

8 Beverly Hills, CA 90212

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13 ALSO PRESENT:

14 BRENT JORDAN, Videographer
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I N D E X

| WITNESS | EXAMINATION BY | PAGE |
|-----------------|----------------|------|
| SHARON ROWLANDS | | |

| | |
|--------------|---|
| MR. SYVERSON | 8 |
|--------------|---|

E X H I B I T S

| NO. | DESCRIPTION | PAGE |
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| Exhibit 1 | Reuters Article Entitled "Firm that Vetted Snowden Reaches \$40 Million Settlement with U.S." | 29 |
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| Exhibit 4 | Supplemental Declaration of Sharon Rowlands | 115 |
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| Exhibit 8 | Complaint for Breach of Fiduciary Duties | 256 |

1 BEVERLY HILLS, CA - WEDNESDAY, AUGUST 2, 2016

2 11:26 A.M.

3
4 THE VIDEOGRAPHER: This is the start of
5 DVD No. 1 in the videotaped deposition of Sharon
6 Rowlands taken in the matter of ReachLocal, Inc,
7 V PPC Claims Limited et al, filed in the United
8 States District Court, Central District of
9 California, Case No. 2:16-cv-1007.

10 This deposition is being held at 9720
11 Wilshire Boulevard, Beverly Hills, California on
12 August 2, 2016 at approximately 11:26 a.m.

13 My name is Brent Jordan. I'm the legal
14 video specialist from TSG Reporting, Inc. The
15 court reporter is Brenda Countz in association
16 with TSG.

17 Counsel present, please identify
18 yourselves for the record.

19 MR. SYVERSON: Erik Syverson for the
20 defendants.

21 MR. KHAN: I'm John Khan for the
22 plaintiff. With me is Jill Glennon of Brown Neri
23 Smith & Khan, the same firm, and ReachLocal,
24 Inc.'s general counsel, Tenlay Naliboff.

25 MR. SYVERSON: I should have identified

1 my trusty associate, Scott Lesowitz, is also
2 present for the defendants.

3 THE VIDEOGRAPHER: Would the court
4 reporter please swear in the witness.

5
6 SHARON ROWLANDS,
7 having been first duly sworn, was
8 examined and testified as follows:

9
10 MR. SYVERSON: Okay, so first things
11 first. This deposition was noticed for 10:00
12 a.m. We are starting at -- let's be generous and
13 call it 11:30. Mr. Khan, I want to give your
14 client an hour and a half worth of credit for
15 testimony time. So that means that the testimony
16 time will be five and a half hours today.

17 Is that agreeable?

18 MR. KHAN: That's agreeable. That's
19 fine. I'll just note for the record that the
20 deposition was noticed for 10:00 and the
21 videographer arrived at 11:00 and the deposition
22 started late.

23 But we agree with the stipulation and
24 we appreciate that, but we reserve all rights to
25 raise the issue of the lateness of the

1 BY MR. SYVERSON:

2 Q. You said absolutely not. You were very
3 effusive and I'm just asking why you don't feel
4 any responsibility.

5 MR. KHAN: Objection, argumentative,
6 relevance.

7 BY MR. SYVERSON:

8 Q. I'm not challenging your belief. I'm
9 genuinely interested in why you don't feel any
10 responsibility.

11 MR. KHAN: Same objections,
12 argumentative, irrelevant.

13 THE WITNESS: I had no knowledge of
14 him. I knew nothing about him. I knew nothing
15 about the background check done on him. I am
16 actually -- I mean I am privy to confidential
17 components about that background check from when
18 I was CEO but I'm not able to disclose them.

19 But from the information I had at the
20 time, I do know that there is no way that
21 background check could have possibly revealed
22 anything about him that would have given anybody
23 a hint of what he might eventually do.

24 BY MR. SYVERSON:

25 Q. Now, you stopped being CEO of Altegrity

1 in 2013, that is right?

2 A. That's right, the end of 2013.

3 Q. And is that because you were fired from
4 that position?

5 A. No --

6 MR. KHAN: Objection, lacks foundation,
7 objection as to form.

8 THE WITNESS: No, I was not fired.

9 BY MR. SYVERSON:

10 Q. What happened? If you weren't fired,
11 did you decide to leave?

12 A. Yes. Essentially we decided in the
13 second quarter of 2013 on my recommendation to
14 the board that we needed to take the company in a
15 whole different direction; that because of the
16 USIS situation, the original strategy wasn't
17 going to play out.

18 We had actually tried to sell the
19 commercial assets of the business, the Kroll
20 assets, but that had been an unsuccessful process
21 so the company was starting to be in a situation
22 that was difficult.

23 My recommendation to the board was that
24 Altegrity should be dismantled; that the best
25 strategy going forward was to put USIS off to one

1 USIS.

2 And on the back of that, they put, if
3 you like, new Providence people onto the board.

4 BY MR. SYVERSON:

5 Q. How would we find out who the board
6 members of Altegrity were when you left
7 Altegrity?

8 MR. KHAN: Objection vague, lacks
9 foundation, calls for speculation.

10 THE WITNESS: I'm sure there must be,
11 you know, publicly-filed documents.

12 MR. SYVERSON: Okay, we can take a
13 break.

14 THE VIDEOGRAPHER: Off video at 12:25.
15 (Break taken.)

16 THE VIDEOGRAPHER: Back on video at
17 12:36 p.m.

18 BY MR. SYVERSON:

19 Q. After you left Altegrity, where did you
20 go?

21 A. I went to ReachLocal.

22 Q. What is ReachLocal?

23 A. ReachLocal is a company that provides
24 digital marketing and advertising solutions to
25 local businesses.

1 A. (Perusing.)

2 Q. That paragraph states that Mr. Cassidy
3 misappropriated ReachLocal's entire current and
4 former client database, correct?

5 A. That is correct.

6 Q. Approximately how vast is this
7 database?

8 MR. KHAN: Objection, lacks foundation.

9 THE WITNESS: Current clients would be
10 approximately 17,000. Former clients would be
11 many more than that.

12 BY MR. SYVERSON:

13 Q. More than 17,000?

14 A. Yes.

15 Q. And how does ReachLocal store this
16 database?

17 A. I think you are now moving into
18 territory that it's not appropriate for a CEO to
19 try and opine on. I manage the overall
20 organization of the company. I am probably not
21 the best qualified to describe the database
22 structure of how we store the data.

23 Q. That's fair.

24 Do all employees have access to this
25 database?

1 A. No.

2 Q. What employees have access to it?

3 MR. KHAN: Objection, calls for
4 speculation.

5 THE WITNESS: I think again, if you
6 want to get very granular, I would want to refer.

7 BY MR. SYVERSON:

8 Q. Has the confidentiality of the database
9 ever been breached?

10 A. Electronically, not that I'm aware of.

11 Q. How did you learn that ReachLocal's
12 entire current and former client database had
13 been compromised?

14 A. Kieran Cassidy told me.

15 Q. And when was that?

16 A. It was, I believe, early January. I
17 think we've actually disclosed the e-mail as part
18 of this testimony, so I think you have it.

19 Q. Did you ever consider the possibility
20 that he was lying to you?

21 MR. KHAN: Objection, asked and
22 answered. We covered this territory.

23 THE WITNESS: I took his claim very
24 seriously, which is what any CEO should do. If
25 anybody says to you they have your entire client

1 database, you have to take it very seriously,
2 particularly when immediately after that he
3 started reaching out to clients directly. And
4 that's why we felt we had to move very swiftly to
5 put the TRO in place.

6 I took his claim very seriously.

7 BY MR. SYVERSON:

8 Q. Those clients were not publicly
9 discoverable, correct?

10 A. A percentage of those clients were not
11 publicly discoverable. So it begs the question,
12 how did he get those client names? And why did
13 he use that very specific language? Why didn't
14 he just say, I have most of your clients, or lots
15 of your clients?

16 That word "entire," that word "entire"
17 says to me everyone. And when he used the word
18 "database" instead of a list and he said former
19 clients, that is very, very worrying to me.

20 Q. Did you ever consider that he knew how
21 to get under your skin?

22 A. Huh?

23 Q. Did you ever consider that he knew how
24 to get under your skin, so to speak?

25 MR. KHAN: Objection, vague, calls for